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ISSN 1180-4327

## Legislative Assembly of Ontario

Second Session, 40<sup>th</sup> Parliament

## Assemblée législative de l'Ontario

Deuxième session, 40<sup>e</sup> législature



## Official Report of Debates (Hansard)

Wednesday 27 February 2013

## Journal des débats (Hansard)

Mercredi 27 février 2013

**Standing Committee on  
Public Accounts**

**Comité permanent des  
comptes publics**

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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES  
COMPTES PUBLICS

Wednesday 27 February 2013

Mercredi 27 février 2013

*The committee met at 0904 in committee room 1.*

## ELECTION OF CHAIR

**The Clerk of the Committee (Mr. William Short):** Good morning, honourable members. My name is William Short. I'm the Clerk of the Standing Committee on Public Accounts. Some of you recognize me from last session; others probably don't.

It's my duty to call upon you this morning to elect a Chair. Are there any nominations?

**M<sup>me</sup> France Gélinas:** I would like to nominate the very capable Norm Miller as Chair of public accounts.

**The Clerk of the Committee (Mr. William Short):** Thank you. Mr. Miller, do you accept the nomination?

**Mr. Norm Miller:** I do. Thanks.

**The Clerk of the Committee (Mr. William Short):** Any further nominations?

There being no further nominations, I declare nominations closed and Mr. Miller Chair of the Standing Committee on Public Accounts. Come on up.

*Applause.*

**The Chair (Mr. Norm Miller):** Thank you, and thank you, France, for saying nice things about me.

## ELECTION OF VICE-CHAIR

**The Chair (Mr. Norm Miller):** The next order of business is the election of a Vice-Chair. Ms. Jaczek?

**Ms. Helena Jaczek:** Yes, thank you. I'd like to nominate Toby Barrett as Vice-Chair.

**The Chair (Mr. Norm Miller):** Are there any other nominations—

**Mr. Toby Barrett:** I would accept.

**Mr. Gilles Bisson:** Hang on, hang on. We're thinking of nominating somebody else—Vic Fedeli.

**Mr. Victor Fedeli:** I'm just subbing in.

**Mr. Toby Barrett:** Go ahead, but I would like to accept that nomination.

**The Chair (Mr. Norm Miller):** Okay, you accept the nomination. Any other nominations?

Okay, Mr. Barrett is Vice-Chair of the Standing Committee on Public Accounts.

## APPOINTMENT OF SUBCOMMITTEE

**The Chair (Mr. Norm Miller):** Ms. Damerla?

**Ms. Dipika Damerla:** I move that a subcommittee on committee business be appointed to meet from time to

time, at the call of the Chair or at the request of any member thereof, to consider and report to the committee on the business of the committee;

That the presence of all members of the subcommittee is necessary to constitute a meeting;

That the subcommittee be composed of the following members: the Chair as Chair, Ms. Jaczek, Mr. Barrett, Ms. Gélinas; and

That substitution be permitted on the subcommittee.

**The Chair (Mr. Norm Miller):** All in favour? Carried.

## COMMITTEE BUSINESS

**The Chair (Mr. Norm Miller):** I'd like to begin by welcoming the new members to the public accounts committee. We'd had a fair shift in membership, particularly on the government side, so welcome, new members. Certainly, there will be lots to get up to speed on, as we spent a good part of last year dealing with the Auditor General's special report on Ornge air ambulance.

Perhaps at this point I could get those of us up here to introduce themselves.

**Mr. Jim McCarter:** I'm Jim McCarter, the Auditor General.

**The Clerk of the Committee (Mr. William Short):** William Short, Clerk of the committee.

**Mr. Ray McLellan:** Ray McLellan, legislative research.

**The Chair (Mr. Norm Miller):** Today, I'll just summarize what we're hoping to accomplish in this organizational meeting.

First of all, there's going to be an update on the status reports from the 2010 and 2011 auditor's reports; then we're going to have an update on the 2012 auditor's report; then Ray McLellan will do an update on research documents regarding Ornge; then we will have an update on outstanding motions from PAC regarding Ornge. We will, after that, have an update on the gas power plant reports from the auditor and, finally, we will have an in-camera discussion regarding Ornge documents of a sensitive nature that contain private information.

We shall start, then, with the update on the status reports from the 2010 and 2011 auditor's reports. Will would like to give a little bit of an update. There will be a lot of information you are going to receive today, which will be handed out as the meeting progresses.

Go ahead, Will.



**The Clerk of the Committee (Mr. William Short):** Good morning, everybody. Basically, with the Standing Committee on Public Accounts, every auditor's report stands permanently referred to the committee. Throughout the course of the committee meeting, we will get updates from past sections that were reviewed by the committee, which is the case once committee membership dissolves. We did receive a bunch of status updates from not only the 2011 report, which the committee actually hasn't looked at yet, but one section from the 2010 report as well.

As we go along, if there are any questions about what I'm handing out, feel free to ask, but I don't want to bombard you with all the paper right at the beginning, so as we get down the list I'll just keep handing out stuff as we go.

The first item was the Ministry of the Environment's response to their section 3.09, non-hazardous waste disposal and diversion, from the 2010 report, which a couple of you were a part of. I'll hand that out, and it's just for your knowledge. We're not actually going to get back into it right now; it's just paper that was received, that I have to distribute to the committee.

0910

**M<sup>me</sup> France G  linas:** Refresh my memory. So we get this update from work that we've done in the past. Of course, I haven't read it; I've just been given it. Does that mean at the next meeting, if I have questions of the auditor or for the committee, we can bring it back? I forget what the procedure is.

**The Chair (Mr. Norm Miller):** That's correct. Auditor, do you want to make any comment to do with this?

**Mr. Jim McCarter:** Generally, in the past—these come in and it's not usual for them to be discussed at the committee, but they help us the next time we do an audit or, if we're considering something like going back to non-hazardous waste, if it looks to us like they haven't been doing very much, we more likely would move it up to do it quicker rather than slower. So we take it into consideration or when we go back in to do the audit the next time we would certainly follow up on the committee's recommendations.

The other thing that we're doing in our follow-up section, in chapter 4: The odd time, sometimes, the government side will pick the follow-up sections to have a hearing on, and this year, for the first time, where the public accounts actually had a hearing and made recommendations, we're actually including that in the work we do on our follow-up. So not only do we follow up on our recommendations, and often the committee's recommendations are similar, but if they're different, we try to take that into consideration when we go back into the ministry two years later and say, "What actions have you taken?" So we're trying to put some verbiage in that chapter 4 follow-up to give the committee members an indication of what action the ministry has taken on your recommendations.

**M<sup>me</sup> France G  linas:** As a follow-up question, Mr. Chair, without putting you on the spot, Mr. Auditor, is it

reasonable to think that when you receive this and it is circulated to us, if there are some serious red flags—well, I'm asking you. I haven't read it, but I take it you have.

**Mr. Jim McCarter:** Yes.

**M<sup>me</sup> France G  linas:** Is there something that you would like to draw our attention to, or is it that it will work its way through the process you've just described?

**Mr. Jim McCarter:** If it was something where we had the impression they were just doing nothing or doing nothing on our recommendations, it might be the sort of thing I might bring back, and I might mention to the Chair that we might want to bring them back in to hold their feet to the fire. I think it's only happened once or twice in the nine or 10 years that I've been the auditor where we have brought a ministry back just because we felt they weren't taking action. Usually when you read this, they say they are taking action and progress is taking a bit of time. But if there was something where they were clearly going—the best way I can put it is that if you kind of get the feeling they're going like this, then I would talk to the Chair and say, "Maybe we need to bring them back in," and then the Chair would put it before the committee. There was one on health where I think we did bring them back in.

**M<sup>me</sup> France G  linas:** Yes, I remember. Thank you.

**The Chair (Mr. Norm Miller):** Very well. We have the 2011 status report.

**The Clerk of the Committee (Mr. William Short):** For the new members of the committee, with the 2011 report, the committee actually did do selections from the section 3 and section 4 value-for-money audits that the auditor presented in his 2011 report. Because the Ornge report got tabled shortly after in the House, the committee then went right into Ornge hearings and we actually never had any hearings on the 2011 report. However, what we do is that at the end of the year sort of we send out a list of all of the recommendations from the auditor's report to each of the ministries in the report asking for a status update regardless. So the next package: 10 of the 12 ministries got back to us. Now that I have a committee and a Chair, I can actually write to the other two ministries saying, "We didn't hear back from you. Please send us the status update as soon as possible." So this next package actually has 10 of the 12 in it, and that would be for you guys to take a look at as well.

**The Chair (Mr. Norm Miller):** Auditor, did you want to make any comments about the 2011 status report?

**Mr. Jim McCarter:** The only thing I could say is, this is the ones that—we normally would go back in 2013, which is this year, to do the 2011, so we haven't gone back in to do our follow-up on this one. But this is where the committee is basically saying to the ministry, "Rather than wait two years for the auditor to go in, can you give us an update a year after the auditor has made your recommendations?" So the ministry has come back saying, "Well, okay, a year has passed." We've sent the letters out about—actually, it would have been this month, to the ministry on these particular audits, saying, "You've



had almost two years. Respond back formally to us on what action you've taken." That will form the basis for the work that we do in writing up formally in chapter 4 what actions they have taken on our 2011 recommendations, and that would be reported in the annual report we table this December.

**The Chair (Mr. Norm Miller):** Will is just handing around, for the new members, the actual paper copy of the 2012 annual report, and I believe he has the 2011 annual report, which he's going to hand around to you as well so that you can familiarize yourself with it.

**M<sup>me</sup> France Gélinas:** So all of those we had asked for a follow-up within one year?

**Mr. Jim McCarter:** Probably you should direct that towards the—

**M<sup>me</sup> France Gélinas:** Mr. Chair? Or anybody?

**The Clerk of the Committee (Mr. William Short):** Regularly, what happens is six of your selections will come before the committee, you'll do a report or maybe not do a report, and then, in the report, it will have the committee's recommendations, and they'll update you right at the beginning of the hearings with a status report. Because we didn't have the hearings, they never updated the committee with the status report. So the letter that we sent out said, "Even though we didn't look at your ministry, can you please still send us your updated status report just for the benefit of the committee members to see what you've done so far" with the auditor's recommendation from the section in the report that they showed up in.

What usually will happen is then the five or six sections that weren't selected will still get that letter at the end of our hearings, when we start to realize there's not going to be a chance for them to come before the committee because we're running out of time or whatever the case may be. We still do that follow-up letter with them as well, saying, "Okay, you weren't selected, but the committee still wants to see your updated status chart with respect to the recommendations from the auditor's report." That's all that that is right there.

**M<sup>me</sup> France Gélinas:** Okay.

**Ms. Helena Jaczek:** Mr. Chair?

**The Chair (Mr. Norm Miller):** Yes, Helena.

**Ms. Helena Jaczek:** Again, we're just trying to absorb a lot of information. I guess I would ask the question: You now, Mr. Auditor General, have received these responses. Sort of to follow up on what France was saying, was there anything within these responses that you would recommend to us that did not satisfy you or that requires further action?

**Mr. Jim McCarter:** I'd have to say, these are coming fairly quickly after our recommendations, and because we know that we're actually formally going in in the spring of this year to formally follow up—I can't say there's anything in here that was earthshattering enough, but, to be honest, even if there was, knowing that we're going back in in the spring of this year to do a formal follow-up and report formally in this year's annual report, we would probably take the venue of saying—

let's say that we felt they weren't making progress. Perhaps rather than bring it to the committee, because we're going in anyway, we'd actually go in and find out, are they really making progress?

The bigger risk is not so much that they say, "We're doing nothing"; the bigger risk is that they imply that they're doing something when they're not. That typically is the bigger risk. They like to paint as rosy a picture as they can when they come back. We actually send our staff into the field. If they say they've done something, we request documentation, and that forms the basis of the follow-up section that we'll be reporting on in December.

In the follow-up section we basically say they've made minimal progress or they've made substantial progress, or we actually paint it out. At that point, the committee generally looks at those follow-up sections, and on occasion they'll pick one or two of those follow-up sections to bring the ministry back in for a formal hearing on, to find out, "What are you doing?"

**Ms. Helena Jaczek:** Thank you. I understand.

**The Chair (Mr. Norm Miller):** And last year was an unusual year in that all the committee did was make selections, and then it was seized, basically from February until Labour Day, with Ornge hearings. So we didn't actually hold any hearings into the selections that were made, but letters were written requesting updates.

**M<sup>me</sup> France Gélinas:** And I wanted to check: I take it that the information that you're circulating is public information.

**The Clerk of the Committee (Mr. William Short):** Now it will be.

**M<sup>me</sup> France Gélinas:** Now that I have it, I can use it publicly?

0920

**The Chair (Mr. Norm Miller):** Yes.

Yes, Jagmeet?

**Mr. Jagmeet Singh:** Hi there. You indicated that 10 out of the 12 ministries had responded. What are the two that didn't?

**The Clerk of the Committee (Mr. William Short):** I have a chart somewhere. I'll get back to you. My office has the chart. I have the chart here somewhere, but I have a lot of paper.

**The Chair (Mr. Norm Miller):** He's buried in paper.

**The Clerk of the Committee (Mr. William Short):** I'll get back to you before the meeting is over to let you know which the two were.

**Mr. Jagmeet Singh:** Sure.

**The Chair (Mr. Norm Miller):** Now we have Ray McLellan's LRS research documents. There are two documents. After the documents are handed out, Ray will speak to them.

**Mr. Ray McLellan:** Thank you, Mr. Chair. On the topic of the Ornge Air Ambulance and Related Services, as the Chair just mentioned, we spent quite a bit of time last year—I guess we went from March through until September—on hearings. We had 17 days of hearings from March 28 to September 5.



I would just preface my comments by saying that those hearings, and I guess the product, at the end of the day, was quite unlike anything else that public accounts has looked at for quite a few years. It certainly didn't follow the regular format of our selection of nine audits and holding hearings and going through those one by one and reporting back in individual reports.

When we got to September, the committee had to make a decision as to where it would go and how it would handle the information that it had to date, assuming that there may be additional work to be done, so that was left open. The decision at that time was to ask legislative research, me specifically, to go through those 17 days of hearings, mindful of the auditor's recommendations, and to try to categorize the information into logical blocks; in other words, when you're dealing with financial and operational versus management versus business model versus corporate culture, to try to disentangle that information into a logical package.

I had suggested that one option would be to comb through those 750 pages of Hansard and to identify what I felt were relevant sections dealing specifically—for example, a good example would be when the minister was in and the deputy minister, and they were talking about corrective measures that had been taken with respect to the auditor's recommendations. The deputy did do that, basically went through the recommendation and then said, "We're doing A, B and C." That's an understandable parcel of what I was attempting to do.

The other part of the gathering of information from Hansard was to move it into those sections, and then the committee had agreed that the most useful way to do that would be to have the speakers identified, the member as well as the witness, with the Hansard page reference so that you could comb through, for example, what transpired on the allocation of funds for the MBA program at Ornge, see who said what and go back to Hansard and retrace it. To me, this is probably a helpful way for the committee to get to the point of talking about recommendations or talking about where they want to go on certain issues. When you look at this document—I call it document B; it's the long document, I think it's about 350 pages long, and it's entitled Hansard Highlights Paper (Committee Hearings), dated February 15. As I say, the critical part of using this document is to really look at the detailed table of contents on page 2. You can see that we run from the introduction to general background on the Ontario air ambulance service—very, very short, a couple of pages; how we got to where we are over the last decade; the Auditor General's findings, taken from his report. Then we get into a discussion, and I can briefly touch on these, of about four or five major sections.

I think the value in this document is that you can go down and, for example, identify flags under the performance agreement and accountability issues. I know that some members had said, "Make sure that when you go through, you identify areas where there are red flags"—in other words, where the ministry or Ornge should have said, "Well, just hold on. Things may be off track here."

So I kept that in mind as I was going through them. Using this detailed table of contents, you will be able to do that.

As I say, at the end of the day, you may go through these 100-odd references here and say, "Really, the relevant ones are here, A, B and C, and thank you very much for doing the rest of it, but as the hearings work out, those are not terribly relevant to where we're going as a committee."

Anyway, I think this is more of a reference document, and it's a matter for members to really comb through it and pick what they want and discard what they don't want. But I think it gathers up where we were as of last September. As I say, perhaps the best thing to do is to leave it to members to look at what they want to look at.

I'll just go over the second document, which is entitled Overview Paper. That's a thumbnail sketch of 30 pages or so. What it does, I feel, is it enables you to cross-reference. In other words, this very long document of 350 pages you're able to cross-reference with this shorter document, which looks like this, and it's entitled Overview Paper. But what it will allow you to do, as I say, is cross-reference. So if you're interested specifically in the business model and you're interested in the corporate culture, you can use the exact same numbers of 3.2 or 3.5, go to the long volume and read the Hansard there. I think that was the intent.

Very quickly, looking at the short document: As I just mentioned a few minutes ago, we have the background, which is the history of air ambulance, in a page or two, so it's concise. Secondly, we have the Auditor General's findings, taken from Mr. McCarter's report, on page 3, and that's just reproduced from his report. Then essentially after that, it seemed to me that the discussion and dialogue, the narrative over those 17 days, really focused on the business model and why Ornge's business model evolved as it did—a discussion of the complexity and the evolution, a discussion of the letter of January 11, when the structure was presented to government. Then it works through to the point of the new board and what they see as a logical new structure. That's the business model and why it evolved as it did.

The second part is really performance agreements 1 and 2, and it looked at the oversight model with respect to the Ambulance Act, the performance agreement and the transfer payment directive. It really set the ground as to what should have happened in terms of accountability through the performance agreement. That evolved into discussions, for example, in committee that, to quote one of the witnesses, it really got to the point where we had a floating accountability; in other words, it wasn't really grounded. That discussion in chapter 4 on performance agreements works through to the Meyers Norris Penny audit that we're familiar with, and their critique and concerns. Then it finishes off with the new performance agreement, the new reporting format, the monitoring, the ministry oversight and the possibility for the ministry to intervene as required. That's number 4, from business model to performance agreement.



To management and operations, chapter 5: That was really a catch-all for a number of things. I think I had mentioned the corporate culture and what it was like to work at Ornge, based on witnesses' accounts and Dr. Mazza's account; to a discussion of compensation, what people earned, and the basis for it; the staffing challenges; the lack of paramedics on board, the concerns of paramedics, the concerns of pilots, the whole issue of cabin design. We spent a lot of time talking about how the cabins were designed, where the faults were, why the model didn't work in terms of sending people into the field and coming back and the whole issue about accountability; and of course, out of that, the ongoing coroner's report that I've checked on recently. As of yesterday, they haven't reported back to us. I can update you at some point on those miscellaneous items.

**0930**

Carrying on in this, section 5, management and operations: the bases, the decision to consolidate bases and the impact of consolidation, the discussion about a base in southern Ontario, in Hamilton, Toronto, Peterborough and Oshawa, and that whole discussion as to why it was Oshawa over Peterborough and the decision to defer a final decision on that; the MNP, Meyers Norris Penny, audit and the impact of that in terms of operation and relations between the ministry and Ornge; and finally, a discussion about quality management and the need for quality management in making decisions based on what hard facts were gathered through management operations. That's the management and operations component.

Section 6 deals with provincial funding and corporate finance and management. That talks about the annual transfer, the impact of consolidation, the bond and the whole discussion about provincial liability with Mr. Sinclair and the deputy ministers for finance and health, the marketing services agreement and the impact that that had on operations. That's chapter 6, provincial and corporate finance management.

Section 7 is corrective measures that I had talked about as an example starting off. I spent a bit of time on pages 29 through 32 in the shorter report basically highlighting the minister's response to Mr. McCarter's recommendation, as well as discussion of corrective measures taken in other areas of the organization.

I would say, just in finishing off, that's what the committee was looking for as of September. Hopefully, this covers off a number of topics. They don't necessarily all hang together, but for the sake of organization, I've blocked those into accountability issues, management operations, finance issues and corrective measures. That wraps up what we were hoping to achieve, and from here we can—I don't think there's anything else I really have to add on that.

One thing I would say is that since the end of the hearings on September 5, 2012, there have been a number of changes at Ornge, obviously, over this last five or six months. I've gone through to look at their material on-site with respect to whistleblowing and the new

accountability structure and that. That would be information that would be new to the committee, and if you require that at some point, as I say, I have assembled that and I can distribute that. I think that that's where we were left in September, and from there the committee can decide how it wants to use these or whether or not they want something else done to supplement what's here.

**The Chair (Mr. Norm Miller):** Thank you, Ray, for taking on this job. I know it was a big job trying to organize all the information we had from our many hearings, so thank you for that.

France?

**M<sup>me</sup> France Gélinas:** I will start by echoing your words, Mr. Chair. Thank you very much to Ray and to Susan for all of the hard work that you have put in on this. I think the way you ended up planning it is pretty good. It is in chunks that make sense, for lack of a better way to describe it.

You did say that you followed up with the coroner to see if his review was going to be completed soon. Do you know when the coroner's review is going to be done?

**Mr. Ray McLellan:** No, I didn't speak with them. A colleague spoke with them, and they didn't give a firm date. I know that was one of the outstanding issues that particularly Mr. Klees was concerned about. There isn't a date, but I'm following that kind of day-to-day, weekly, to make sure that as soon as something happens, I'll get that information. Anything else, as I say, that you require with respect to this topic as well, we can do.

**M<sup>me</sup> France Gélinas:** Thanks again for all your work.

**The Chair (Mr. Norm Miller):** Helena?

**Ms. Helena Jaczek:** Just again to understand what the request was of the coroner: Was it sort of a summary of previous incidents, or was it a specific incident? I'm just not clear what was requested.

**Mr. Ray McLellan:** I'll have to speak with the coroner's office. I don't know whether or not Mr. McCarter can comment on it, but it was a matter that came up during the hearings, and we knew that the coroner was looking into incidents. I just flagged it as something to follow up on. With respect to exactly what would be reported back on, I don't know that.

**Ms. Helena Jaczek:** But was it incidents that had occurred prior to 2011 or subsequent to the new management?

**Mr. Ray McLellan:** I think it was broader than that. I think it included 2012 and before that. But as I say, I'll look into it and get the exact terms of what they're going to be reporting on. I don't know that now.

**Ms. Helena Jaczek:** Okay.

**The Chair (Mr. Norm Miller):** Very well. Toby?

**Mr. Toby Barrett:** Thank you, Chair. Thank you for this work.

As far as unfinished business, we know there's an OPP investigation. Does this committee have any progress report or indication what they're looking at? Is it tax evasion or kickbacks? Has anything been released to the public from the OPP?



**Mr. Ray McLellan:** I could comment on it quickly, and maybe the Clerk can, but my understanding was that it is completely separate and distinct from what's transpiring here.

**Mr. Toby Barrett:** Yes.

**Mr. Ray McLellan:** And in terms of any dialogue or communication, there was absolutely none. I'd go back to the Chair on that.

**The Chair (Mr. Norm Miller):** That is correct.

**Mr. Toby Barrett:** So I guess we would determine some of that information from other channels? I mean, we see a bit in the media about it, but—

**Mr. Ray McLellan:** That's really what I'm limited to as well. I wouldn't have any—

**Mr. Toby Barrett:** We have no idea when they might be concluding or making an arrest or—

**The Chair (Mr. Norm Miller):** No.

**Mr. Toby Barrett:** They would access these documents, I'm sure; they're public documents. I guess we can only speculate.

**The Chair (Mr. Norm Miller):** We have no contact with the police.

Any other questions for Ray? Obviously, you just got the report, so maybe in another week, you'll have time to look through it and you'll have thoughts about whether you like the way it has been organized, and if there's anything missing or any suggestions for him after you've had a chance to look at it. Okay.

So we're up to the update on outstanding motions from the committee regarding Ornge.

**The Clerk of the Committee (Mr. William Short):** I have another update for everybody on that.

Over the course of the approximately four and a half months that we did hearings, there were obviously documents requested by all parties. What we created is an updated document request chart that we were providing to the committee members as the hearings went along. As documents came in, we then distributed them and added them to the chart.

What some of you may or may not have noticed is that on the motion in the House that was carried on February 20, regarding the appointment of subcommittees, on that same motion there was also a list of motions, some of which were specifically moved in PAC, that had to be complied with within the first seven sessional days of this session, which, after today, would be March 19.

So as of March 19, the list of outstanding motions that showed up on that motion in the House has to be complied with and sent to my office, of which two are the very large ones where—we had a subcommittee meeting to revise two of the very large motions, because two of the ministries came back to us saying that the original search had come up with, I think in one case, something near a million documents, and in another case well over 50,000 documents. Those two ministries then got the revised dates from the subcommittee that the subcommittee agreed on, and now, by March 19, those have to be complied with, as per the order of the House.

As well, since the committee dissolved on September 9, Ornge has tabled a very large amount of documents with our office, which we need to go through at some point today as well, many of which they're stating are of a personal and confidential nature.

So what I'll do is hand out the updated document request chart for everyone to take a look at. If people want copies of the motion that was tabled in the House, I can run off copies of that as well, so that you can actually see the list of motions that refer specifically to PAC. I'll hand these out, and then, if you have any questions, I can take your questions.

0940

**The Chair (Mr. Norm Miller):** Okay, we'll just give him a chance to hand those out.

The question, asked by Jagmeet, to do with which ministries have not provided updates in 2011: It was the Attorney General's office and finance that had not provided updates.

Vic, you had a question?

**Mr. Victor Fedeli:** Thank you very much, Chair. Thank you for this, William.

When we receive or when we are looking at the documents from the ministry—either the million or the 50,000 or the documents from Ornge—is there an opportunity to receive those in either a searchable PDF or OCR form as opposed to a printed form?

**The Clerk of the Committee (Mr. William Short):** The agreement that the committee had last session, actually, was that when it was a large number of records that we were receiving, we only did one copy per caucus. That was the first agreement we had. The other agreement was that they actually—I don't know how many we're going to get, now that the motion has been revised, and the point of the subcommittee meeting to come up with new dates was to actually limit the amount of records the ministry was going to be searching so that they didn't have such a broad scope.

Two of the motions were fairly broad in scope, so the subcommittee met and unanimously agreed on new dates to modify those two motions. The hope was that it would go back to the ministry and would help them with their search in terms of being able to get exactly what it was that the committee wanted, hopefully in a smaller amount of records. I haven't spoken to the ministry since, because we haven't had a committee to direct me with what to do. But the last update that the two ministries got was the amended dates from the subcommittee. Now, obviously, I assume they would have seen that their motions showed up on the order from the House to be complied with within the first seven sessional days of the session.

**Mr. Victor Fedeli:** So that deals, if I may, Chair, with the scope, and you're dealing with perhaps limiting the size. That's fine. But my concern is more with the style or format of document, that it not simply be printed pages but either optical character recognition software, that we can have a searchable PDF file. I don't know the format of this particular committee, but that is something I'm



recommending. I don't know how it moves from this point, but certainly even if it is half of that 50,000 documents, to be able to have an electronic format—not just a scanned format but a searchable format—is, I would suggest, more than necessary.

**The Clerk of the Committee (Mr. William Short):** Right.

**The Chair (Mr. Norm Miller):** Any other comments on that point?

**The Clerk of the Committee (Mr. William Short):** Just to give a quick answer on that, once we do receive the documents from whomever we receive them, either the ministry or Ornge, we can then have a subcommittee meeting or a full committee meeting to discuss how you want to go about dealing with whatever it is that we get.

**Mr. Victor Fedeli:** But—

**The Clerk of the Committee (Mr. William Short):** Because—sorry—the motion has actually already gone out to the ministry as is, they would probably be providing just the paper copy, I would imagine, because there were no other directives in the actual motion the committee already passed. They would just be complying with the dates and the original request. Anything going forward now would be sort of an amendment to that from the committee. If it was the committee's pleasure to do that, then you'd have to go back to them. But what we're getting right now is from the original request with the amended dates. Whatever we do get, we can then have another subcommittee or full committee meeting to decide how you want to move forward.

**Mr. Victor Fedeli:** So, Chair, rather than going back and amending that, because I can appreciate the issues there, perhaps the committee or the subcommittee can then talk about how it provides those supplied documents to the members. Perhaps that is the stage where technology can take over and the committee members be provided a searchable PDF format. Thank you, Chair.

**The Chair (Mr. Norm Miller):** Yes, and the Clerk is saying that we can have that discussion, so we shall have it. Any other comments on this format?

**Mr. Toby Barrett:** Just a comment.

**The Chair (Mr. Norm Miller):** Yes, Toby?

**Mr. Toby Barrett:** I'd rather be proactive on this. I'd hate to have staff put together all this work or photocopy, you know, half a million documents if they could have had an indication from this committee that electronic would be fine. I'm just thinking logistics and time and what have you. I don't know when we're having a subcommittee meeting, but can we informally—we'll have to discuss with the other two sides. I'd just hate to see someone do an awful lot of work running the photocopier for a couple of weeks if we're willing to have it in electronic format. If we could informally alert them that's what we're thinking of—we haven't amended the motion or anything; we could formally do that.

**The Chair (Mr. Norm Miller):** Yes, Will is going to look into it and get back to us later today.

**Mr. Jagmeet Singh:** Just to confirm, on behalf of the NDP as well, I think that's an excellent idea. If the labour

that goes into photocopying it is the same labour that would go into scanning it for PDF searchability, I guess for lack of a better word, and if that's going to happen, I think we should get ahead of it and do it now, as opposed to waiting for it and then—much like what Mr. Barrett said, it would be doubling the workload, perhaps. Because once it's photocopied, then you'd have to do it again to get it scannable so that it could be read.

I think we should perhaps discuss that right now and perhaps put that directive in now so that we can—whatever work has been done, that's fine, but moving forward, if there are still photocopies that are left to be done, we can at least save the time and have those done in a searchable format. Like Mr. Fedeli is saying, with that volume of documents, it would be much better for us to be able to search through it. So I think we should probably discuss that now and make a—

**The Chair (Mr. Norm Miller):** Helena?

**Ms. Helena Jaczek:** Thank you, Mr. Chair. On behalf of the government, we would have no objection. Whatever is the most useful, the fastest—I mean, we are committed to getting to the bottom of this as much as the other two parties.

**The Chair (Mr. Norm Miller):** Very good. France?

**M<sup>me</sup> France Gélinas:** Just to add, in the past, a lot of the documents that have been circulated to us were actually printed emails and printed electronic documents. I could see a huge time-saving when you don't have to print, you don't have to photocopy for all of us. Send it in an electronic format and we'll all be happier.

**Mr. Toby Barrett:** I've run out of storage space in my office; I have a pickup truck and it's—

**Mr. Victor Fedeli:** Mind you, us northerners like the use of all those trees.

**Mr. Toby Barrett:** Well, France would go along with that.

**The Chair (Mr. Norm Miller):** Okay, Will will look into that, then.

So on the outstanding motions—

**Mr. Jagmeet Singh:** My apologies for interrupting. Would it be beneficial—I'm more than happy to draft a motion basically indicating that we'd like to have the documents electronic where possible, the actual original electronic documents, and then where there are actually print-offs have them scanned instead of photocopied. If a motion would be necessary, I'm happy to do that now.

**The Chair (Mr. Norm Miller):** Will will look into it. We're going to be meeting this afternoon, so if we still need a motion, I'll let you know after at 12:30.

**Mr. Jagmeet Singh:** Sure.

**The Chair (Mr. Norm Miller):** We will now go to the auditor to have an update on the gas power plant reports.

**Mr. Jim McCarter:** Sure. I thought I'd just give you an update on the Mississauga gas plant cancellation review. As you may recall, this was a motion passed by the public accounts committee. Then I'll move on and update you on the Premier's request for us to also look at the



costs associated with the cancellation of the Oakville plant.

We have decided that we're going to be tabling these as two special reports. We're not going to hold the Mississauga plant up while we do the Oakville plant. We've wrapped up most of our fieldwork on the Mississauga plant. Our staff has actually started doing some work on the Oakville.

As far as a target reporting date, my understanding is that the House is recessed for the Easter break the first week of April. So at this point in time, assuming the translation and printing and that we have no unexpected glitches, we're hoping to table that particular report on Mississauga the second week of April when the House comes back after the April break. At the latest, we would probably be the third week of April, but that's our target timing for the tabling of that special report. We expect to table it with the Speaker in the Legislature and, as the Clerk mentioned earlier, it would be automatically permanently referred to the Standing Committee on Public Accounts at that time.

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I'm sure you're all aware that the Premier designate at that time did write to me asking us to also look into the costs associated with the cancellation of the Oakville plant. I immediately wrote back to the Premier indicating that we would undertake that work.

As far as the timing, my understanding is that the House rises for the summer recess on June 6. I'm quite confident we won't have finished it by June 6. We will certainly have finished it for the time the House comes back on September 7. So it could be tabled when the House comes back in September. However, I expect we may finish it in July or August.

Maybe I could just use this opportunity to remind the committee that about a week prior to tabling this report—my 10th annual report—I did advise the House that I would be resigning at the end of April. I think a letter did go out to everybody on that. I can take any questions on how the selection process works, where it stands right now. But it would be the decision of the incoming Auditor General, assuming that that process is completed by the summer.

The incoming Auditor General would have the option in the summer, if the report was complete, to table it with the Clerk. That would make it a public document, and it could be publicly released at that time as opposed to waiting until the House comes back in September. But that would be the decision of the next person in the chair, so to speak.

**The Chair (Mr. Norm Miller):** I would just say, Auditor, as the Chair of this committee, I'm very disappointed to hear that you're stepping down, but I certainly thank you for your 10 years of good service to the province.

Do we have any questions about the process to get a new auditor?

**Mr. Jim McCarter:** I could walk you through it.

**The Chair (Mr. Norm Miller):** I think that would be good. Sure.

**Mr. Jim McCarter:** Essentially, what's happened with the last two auditors is there's been a selection committee. The selection committee has been chaired by the Speaker. I have talked to the current Speaker. The Speaker is more than willing to—he indicated he would like to chair the selection committee. The selection committee has been comprised of a member from each of the three parties, so all parties have input.

The selection committee: Generally what happens is, they put an ad in the Globe and in the major papers across Canada—it's a very open, transparent process—asking for people interested in applying for the position. The HR area in the Legislative Assembly basically handles the process. They go through the applications and there's some contact back and forth with the selection committee—I think the last time they interviewed eight individuals—and they make a recommendation to the House at that point. Then that is voted on in the Legislature as a whole.

The last time, the members from the three parties were Norm Sterling, the Chair of the public accounts committee; some of you may remember Shelley Martel, who was a long-serving member of the public accounts committee, who was the NDP member; and I think it was John Milloy, who wasn't on the committee at that time, but shortly afterward came on the public accounts committee for the Liberals and was on the committee.

My understanding is that the Speaker has recently written, or is in the process of writing—I hope I'm not telling tales out of school—to the three House leaders, asking for their approval to get the process under way. I've given a fair bit of material to Nancy Marling of the assembly in HR with respect to the position description—all the information that they need to go ahead. My understanding is that the Legislative Assembly admin people are ready to get going on it as soon as the three House leaders kind of give them the okay to get going on it. Then each of the parties, assuming it's the same process as last time, will have to select a representative for the committee.

**The Chair (Mr. Norm Miller):** So your actual date of—

**Mr. Jim McCarter:** My last day will be Monday, April 30.

**The Chair (Mr. Norm Miller):** And if a replacement hasn't been picked at that point—

**Mr. Jim McCarter:** If a replacement hasn't been picked at that time, under the audit act, I have the Deputy Auditor General, Gary Peall—some of you have met Gary. The deputy auditor at that point would step in and fill the shoes, so to speak, of the Auditor General. So if that process is not complete by that time, the Deputy Auditor General would basically step into the role of the Auditor General until such time as an Auditor General is selected by the Legislature.

**The Chair (Mr. Norm Miller):** Okay. Any questions?

**Mr. Shafiq Qaadri:** Mr. Chair, just on behalf of the government side, I think we'd also like to acknowledge



the extraordinary work of the Auditor General, who has helped not only the finances of the province of Ontario, but helped to remind the government as well as the opposition of what best practices are and what that means on the ground, so thank you.

*Applause.*

**Mr. Jim McCarter:** Thank you.

**Mr. Shafiq Qaadri:** And I'm just wondering: I hope there's no connection between the imminent retirement of His Holiness the Pope and that of the Auditor General, but in any case—

*Laughter.*

**The Chair (Mr. Norm Miller):** I don't believe there is.

**Mr. Toby Barrett:** Other than that last comment, the official opposition certainly echoes those sentiments and I'm sure the third party does as well. I know Jerry Ouellette has been a long-standing member. He has spoken very highly of you over the years.

**The Chair (Mr. Norm Miller):** Very well. And—sorry, France, yes?

**M<sup>me</sup> France Gélinas:** I would say that I'm in shock. You said that you've said this before. You said it when you tabled your report?

**Mr. Jim McCarter:** Yes. Actually, my letter to the Speaker was dated December 5, about a week before I tabled the report. My understanding was—I talked to the Clerk, because I said, "Well, you've got to let at least the members of the Standing Committee on Public Accounts know." The Clerk advised me that a copy of my resignation letter—because in the letter I also said, "I'm going on April 30, but I'm doing the five months." I basically wanted to make sure I had time to finish the Oakville power plant report. I also wanted to give ample time to basically get the selection process under way. But my understanding was, from Deb Deller, that a copy of that letter did go out within a couple of days to all MPPs—my resignation letter. Hopefully you got it.

**M<sup>me</sup> France Gélinas:** Well—

**Mr. Jim McCarter:** No? You didn't get it?

*Interjections.*

**M<sup>me</sup> France Gélinas:** Well, anyway, it was great fun working with you. You brought integrity. You made it understandable, the hard work that you do, and I very much appreciated working with you. I'm sorry you're going.

**Mr. Jim McCarter:** Maybe I can just add, too, as I said in my letter, the office and myself have been very fortunate. We've got a very supportive and a very active public accounts committee in Ontario, and I think amongst the Auditor General community it's generally felt that I'm pretty fortunate to have such an active and supportive public accounts committee. It really does help me in doing my work. It gives me a tremendous amount of clout when I go in and I'm going head-to-head with the deputy ministers knowing that I have such a supportive committee behind me, so thank you.

**The Chair (Mr. Norm Miller):** Thank you, and we are going to miss you for sure. I know I will.

I have a motion which has been given to me by Mr. Fedeli. As a practice, the committee is to give notice of a motion, so it's going to be circulated to go on the agenda for the next meeting. The Clerk will circulate it.

**Mr. Victor Fedeli:** May I speak for a moment while the Clerk is circulating it, Chair?

**The Chair (Mr. Norm Miller):** Very quickly, yes.

**Mr. Victor Fedeli:** The motion is regarding asking the Auditor General, as per section 17 of the AG Act, to investigate the government's divestment of, and the operations of, the Ontario Northland Transportation Commission, and the validity of the government's claim in its 2012 budget that the divestment will save \$265.9 million by 2014-15.

**The Chair (Mr. Norm Miller):** Very well. It will go on the agenda for the next meeting.

Do you want to comment at all?

**Mr. Jim McCarter:** No. I await the committee's vote on the motion.

**The Chair (Mr. Norm Miller):** Very well. So we're going to go in camera now to discuss some sensitive documents that contain private information on them and how to handle those, to do with Ornge air ambulance.

**Mr. Toby Barrett:** Chair, am I too late to speak, before we go in camera, on another issue?

**The Chair (Mr. Norm Miller):** Go ahead.

**Mr. Toby Barrett:** I recognize that since the House has been prorogued, and there certainly is other unfinished business—for example, we issued a—at the time, we were actually, as a committee, forced into requesting and receiving the Speaker's warrant for Mr. Mazza to testify. Do we have to go through that again to have Mr. Mazza come back for further—

**The Chair (Mr. Norm Miller):** I would think if the committee decides to invite Mr. Mazza back, or other people, first of all a request would come out—and he may very well just decide to come—before it would get anywhere near the point of requiring a Speaker's warrant.

**Mr. Toby Barrett:** And certainly, we haven't talked about other witnesses coming forward—

**The Chair (Mr. Norm Miller):** We will. The subcommittee will, at its first meeting, talk about what future business the committee will do, including whether we wish to continue inviting more people to come forward to do with Ornge air ambulance.

**Mr. Toby Barrett:** Okay. Again, given we haven't met since the end of the summer—I think Mr. McGuinty, the former Premier, was requested to testify. Our health minister has testified several times. Whether we feel it's important for the health minister, who remains the new health minister, to come forward—so there is some unfinished business there as far as people who we would ask to sit at the witness table.

**The Chair (Mr. Norm Miller):** We'll have those discussions at the subcommittee, of which you are a member.

**Mr. Toby Barrett:** At subcommittee?

**The Chair (Mr. Norm Miller):** Yes.

So we're going to go into closed session now.



*The committee continued in closed session from 1002 to 1255.*

**The Chair (Mr. Norm Miller):** Okay, we're back on the record, having had a discussion about what to do with some documents the committee has received. We do have agreement of the three parties as to what to do at least for the next week, and our Clerk will explain that agreement.

**The Clerk of the Committee (Mr. William Short):** What the committee has come to an agreement on, and we'll just follow up with the committee agreeing to what I'm saying, is that of the package of information we received from Ornge related to outstanding motions that the committee had already passed, there was a package that included documents.

What the committee agreed to make public was the Dr. Mazza payments, corporate credit cards, American Express; the Dr. Mazza payments, corporate credit cards, TD Canada Trust; and the Dr. Mazza payments, corporate credit cards, Diners Club International CIBC. The other documents that were in the package will remain confidential for the committee's use only. The one other item that needs to be decided at the next meeting would be regarding the ASOR documents, which will be available in my office up until next week for members of the committee to come in and look at, to make a decision on if they're comfortable about making those public or remaining confidential.

The other item was the other Dr. Mazza payments regarding his loans and T4s. Those will be looked at in my office, and the committee will make a decision next week on how to go forward with dealing with those, on either a confidential or non-confidential matter.

**The Chair (Mr. Norm Miller):** I believe that is the agreement. France?

**M<sup>me</sup> France Gélinas:** I thought we already had an agreement that you would go through the Dr. Mazza compensation package with a view to retracting the first six digits of his social insurance number.

**The Clerk of the Committee (Mr. William Short):** Sure. Yes, that's fine. Sorry.

**The Chair (Mr. Norm Miller):** All in agreement? Agreed.

We have a motion.

**Mr. Jagmeet Singh:** I trust everyone has seen this motion.

I move that the Standing Committee on Public Accounts request that the Ministry of Health and Long-Term Care and the Ministry of Finance produce the documents referred in the order of the House dated February 20, 2013, in a searchable PDF document or in the original electronic format.

**The Chair (Mr. Norm Miller):** Any discussion? All in favour? Carried.

I believe that's it. Yes, France?

**M<sup>me</sup> France Gélinas:** Sorry. I don't want to drag this on any longer, but a new document was shared with us that showed that the chief coroner's review of Ornge cases took longer and he explained that in a news conference. Is it reasonable to ask the Clerk or the researcher to get back in touch with the chief coroner's office to see when we could expect a new deadline?

**The Chair (Mr. Norm Miller):** Yes, we will endeavour to do that.

**Mr. Ray McLellan:** I can respond in part to that.

**The Chair (Mr. Norm Miller):** Go ahead, Ray.

**Mr. Ray McLellan:** This is a memo to me this morning, February 26, at 11:41. They're saying the investigation is ongoing—they're reviewing cases, compiling information. They cannot provide a date for the final report. As you say quite correctly, that review was supposed to be finished at the end of 2012. All I can do, really, is just continue to monitor it. As I say, we were in touch today, and they're not prepared to give a date for the final report. As we go through the next little while, I'll keep in touch, and as soon as something breaks, I'll report to the committee.

**M<sup>me</sup> France Gélinas:** Thank you.

**The Chair (Mr. Norm Miller):** Very good. We're adjourned till next Wednesday at 9 a.m.

*The committee adjourned at 1300.*















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Mr. Norm Miller (Parry Sound–Muskoka PC)

#### **Vice-Chair / Vice-Président**

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Mr. Toby Barrett (Haldimand–Norfolk PC)

Ms. Dipika Damerla (Mississauga East–Cooksville / Mississauga-Est–Cooksville L)

M<sup>me</sup> France Gélinas (Nickel Belt ND)

Ms. Helena Jaczek (Oak Ridges–Markham L)

Mr. Phil McNeely (Ottawa–Orléans L)

Mr. Norm Miller (Parry Sound–Muskoka PC)

Mr. Jerry J. Ouellette (Oshawa PC)

Mr. Shafiq Qaadri (Etobicoke North / Etobicoke-Nord L)

Mr. Jagmeet Singh (Bramalea–Gore–Malton ND)

#### **Substitutions / Membres remplaçants**

Mr. Victor Fedeli (Nipissing PC)

Ms. Soo Wong (Scarborough–Agincourt L)

#### **Also taking part / Autres participants et participantes**

Mr. Jim McCarter, Auditor General

#### **Clerk / Greffier**

Mr. William Short

#### **Staff / Personnel**

Mr. Ray McLellan, research officer,  
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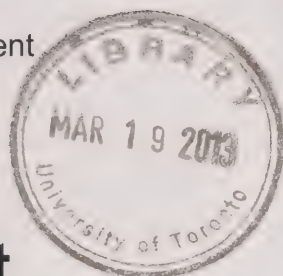
ISSN 1180-4327

## Legislative Assembly of Ontario

Second Session, 40<sup>th</sup> Parliament

## Assemblée législative de l'Ontario

Deuxième session, 40<sup>e</sup> législature



## Official Report of Debates (Hansard)

Wednesday 6 March 2013

## Journal des débats (Hansard)

Mercredi 6 mars 2013

### Standing Committee on Public Accounts

Subcommittee report

Committee business

### Comité permanent des comptes publics

Rapport du sous-comité

Travaux du comité

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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES  
COMPTES PUBLICS

Wednesday 6 March 2013

Mercredi 6 mars 2013

*The committee met at 0905 in committee room 1.*

## SUBCOMMITTEE REPORT

**The Chair (Mr. Norm Miller):** I call the committee to order. Our first order of business is the report of the subcommittee on committee business.

Ms. Jaczek.

**Ms. Helena Jaczek:** Your subcommittee met on Thursday, February 28, 2013, to consider the method of proceeding on the 2012 special report of the Office of the Auditor General on Ornge air ambulance and related services, and recommends the following:

(1) That each member of the subcommittee provide the Clerk of the Committee with an updated list of witnesses that could potentially be scheduled to appear before the committee.

(2) That the Clerk of the Committee will schedule witnesses that have been agreed to by a majority of the subcommittee.

(3) That all witnesses appearing before the committee be given an oath of witness or affirmation by the committee Clerk.

(4) That all members of provincial and federal Parliament appearing before the committee be exempt from being given an oath of witness or affirmation.

(5) That the time amount allotted for the examination of each witness be decided by the majority of the subcommittee in advance of the witness appearing.

(6) That a letter be sent to all witnesses outlining the procedures, powers, privileges and witness protections afforded to those who may appear before the public accounts committee.

(7) That when the committee Clerk confirms a witness's appearance before committee, he will also state: "It would be inappropriate at these hearings to indicate that you have spoken to the police with respect to Ornge."

(8) That if no witnesses can appear on Wednesday, March 6, 2013, the committee will meet for the purpose of report writing.

(9) That legislative research provides members of the committee with a "Background on Witnesses" document in advance of each witness appearing before the committee.

(10) That the committee request to hold hearings in committee room 151.

(11) That the committee Clerk, in consultation with the Chair, be authorized prior to the adoption of the report of the subcommittee to commence making any preliminary arrangements necessary to facilitate the committee's proceedings.

**The Chair (Mr. Norm Miller):** Any discussion? All in favour? Carried.

## COMMITTEE BUSINESS

**The Chair (Mr. Norm Miller):** Second order of business: We have a motion which was filed by Mr. Fedeli. I believe it's going to be moved by Mr. Klees.

**Mr. Frank Klees:** Yes. The motion filed by Mr. Fedeli is as follows:

That the Standing Committee on Public Accounts direct the Auditor General of Ontario to undertake a special assignment, as per section 17 of the Auditor General Act, RSO 1990, to investigate the government's divestment of, and the operations of, the Ontario Northland Transportation Commission, and the validity of the government's claim in its 2012 budget that the divestment will save \$265.9 million by 2014-15.

**The Chair (Mr. Norm Miller):** Any comments? Mr. Fedeli?

**Mr. Victor Fedeli:** Back in September, I wrote a letter to the auditor which I'd like to read into the record, to let you know a little bit of the background of this.

"I'm writing to request you open a formal investigation into the planned divestiture of the Ontario Northland Transportation Commission (ONTC) by the Ministry of Northern Development and Mines, announced on March 23, 2012.

"It's my contention, through months of investigation I have conducted, that the savings the government predicts it will achieve through this divestiture as outlined on page 43 of the addendum to the 2012 Ontario budget cannot be realized.

"Recently, it came to light that some 400 Ontario Northland employees may be owed 14 years of severance pay through employment security agreements that exist. By my estimate, that could cost the provincial government \$450 million over that time period. This—and any associated costs—must be verified.

"Furthermore, there are additional costs I have uncovered that the government appears not to have taken into its accounting, including:



“—the unfunded ONTC pension liability, which could be as high as \$200 million”—we know it’s more than \$150 million, but we’re suggesting it could be as high as \$200 million.

“—environmental liabilities that will continue to exist despite the government’s decision to grant itself an exemption from the Environmental Assessment Act for the divestment process;

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“—ongoing subsidies to operate the Polar Bear Express passenger train from Cochrane to Moosonee;

“—ongoing subsidies the government says it will continue to pay to operate bus service on feeder routes into and out of smaller communities; and

“—ongoing pension and benefit payouts to retired ONTC workers.

“I would also ask you to determine the authenticity of the claims by the government that the ONTC subsidy per rail passenger is \$400, and the actual annual subsidy required to operate the ONTC, which the government claims exceeds \$100 million. I believe those amounts to be exaggerated.” I will talk about that in a moment, after I read the last paragraph.

“Auditor, based on this mountain of evidence, I believe this divestiture is nothing more than a politically motivated fire sale, and its execution is actually diminishing the value of ONTC assets, and thus their value to taxpayers. As the ministry, on August 16, 2012 outlined plans to proceed with the sale of Ontera, the ONTC’s telecommunications arm, and the shutdown of the Northlander passenger train on September 28, 2012, I urge your prompt attention to my request.”

Chair, going back to that paragraph about the \$100 million, if you look at the historical costs, the investment in Ontario Northland—the government will call it a subsidy; I’m going to call it an investment—over the last 10 years it is an average of \$44 million a year. In the earlier years of those 10 years, it was about \$20 million to \$22 million. I contend that the government heavily loaded the last year by having the investment over \$100 million. It’s a one-time anomaly. They loaded up a pension payment, which is a one-time payment. They loaded into it things such as a one-time purchase of the Sault Ste. Marie Public Utilities Commission and things of that nature, so that in the last year, indeed, the subsidy—what they call a subsidy—the investment was \$100 million, but in the last 10 years we saw in many of the years, if not most of the years, in the \$20-million range for an average of \$44 million.

So, they claim, as I mentioned earlier, on page 43, that they’re going to save, by divesting Ontario Northland in the way they’re proceeding, \$131.2 million in the year 2013-14 and \$134.7 million in 2014-15, for a total of \$265.9 million of savings in a three-year total, with no savings in 2012-13.

I contend that not only will they not achieve the \$265.9-million savings that they used as a number to bring the deficit balanced by 2017—I contend their costs will actually rise above that. So not only will they not

achieve those savings, far more than that amount will be in terms of a cost.

Those are my initial thoughts, Chair.

**The Chair (Mr. Norm Miller):** Yes, Mr. Bisson?

**Mr. Gilles Bisson:** I just want to say, first of all, that we’re supportive of the request. We always have felt that this whole move to privatize the ONTC is misguided. First of all, as a northerner, it really irks people because we understand and we support the government’s need to support organizations such as GO Transit and to provide intercity transport to communities in southern Ontario. We, as northerners, don’t have a problem paying our tax dollars to help our southern neighbours have that type of service.

It is really insulting to people in northern Ontario when a government stands up repeatedly—a Premier, a minister, a Deputy Premier, and the former finance minister—and says that essentially we can do away with this and it’s a waste of money. We don’t see the investments in GO Transit as a waste of money. We don’t argue that you have a \$5-per-ride subsidy to that service. We think and understand and support that it’s important to the people of southern Ontario.

We ask this government—they call themselves now a new government under a new Premier—to rethink this whole move of privatization. If this motion in any way can assist in getting the government to do some rethinking—because in the end, I agree: I don’t think we’re going to save any money. We are going to pay the private sector money to subsidize a service that will be run by the private sector.

Proof in case: Mike Harris, when he was in government, privatized the air wing of Ontario Northland. We used to have what was called norOntair, and it provided air transportation within northern Ontario, east, west and all the way up to the James Bay coast and Hudson Bay coast. The government said we could save all kinds of money by getting rid of it, and all that we’ve done now is that we’ve transferred the subsidy over to the municipalities. The municipalities, to keep that service now—for example, Kapuskasing is having to pay a kind of subsidy to Bearskin to land in their community by way of waiving landing fees or whatever other means that they can be able to get them. In the end, there’s no savings to be had and it’s a disruption to transportation in northern Ontario.

So we will support this motion and urge the auditor to take a look into the actual savings in regard to what this means.

Even if there is a savings, I just want to put it on the record and be very clear: Andrea Horwath and New Democrats are saying, even if it’s a \$20-million or \$30-million subsidy that we pay to the Ontario Northland Commission to provide services in northeastern Ontario, so be it. It’s a pretty small cost. Our rail shippers along the line would struggle to be able to keep their doors open in communities like Constance Lake, Hearst, Kapuskasing and everything in between, down to North Bay, not to say what it means to the travelling public in northern Ontario.



**The Chair (Mr. Norm Miller):** Ms. Jaczek?

**Ms. Helena Jaczek:** Well, we also, on the government side, would certainly like the Auditor General to take on this report. We're very supportive, in fact, of the way the motion reads, to the extent that it appears to want to look back at the entire operation of the ONTC, and I think Mr. Bisson is referencing that. Mr. Fedeli, in his remarks, did talk about historical costs.

So we will be bringing an amendment that will ask the Auditor General to do a complete value-for-money audit of the operations of the ONTC, including its expenses on staff, marketing, advertising, capital costs etc., over its entire history. It's really important to find out exactly why the ONTC was not able to operate on a surplus, even with robust advertising, to better improve transportation efforts to the north.

So I do have an amendment. I'm not sure if this is the time to read it in.

**The Chair (Mr. Norm Miller):** Certainly. Do you have copies of that amendment for everyone?

**Ms. Helena Jaczek:** I'm sure we do.

**The Chair (Mr. Norm Miller):** If you don't, we'll need to recess for a few minutes to get it printed.

**Ms. Helena Jaczek:** Okay. Whenever you say that's when we should do it, we will recess.

**The Chair (Mr. Norm Miller):** Okay. Well, then, we'll recess for a few minutes, say five minutes or so, to get copies made of your amendment.

**Ms. Helena Jaczek:** Thank you.

*The committee recessed from 0918 to 0929.*

**The Chair (Mr. Norm Miller):** We'll reconvene. Ms. Jaczek, you have an amendment to the motion?

**Ms. Helena Jaczek:** Thank you, Chair. I will be asking for a recorded vote on this amendment, and I will read it:

The Auditor General shall also undertake to confirm the ONTC has historically operated at a deficit, spending more money on operations and capital repairs than it makes in revenue. The Auditor General shall also detail, from 1990 to 2013, expenses related to ONTC marketing, advertising and consulting fees.

**The Chair (Mr. Norm Miller):** I don't think you read exactly what was here. I thought I heard "1990," not "1976."

**Ms. Helena Jaczek:** Oh. Maybe it's a typo in my copy. Should I read the whole thing again?

**The Chair (Mr. Norm Miller):** Yes, please.

**Mr. Frank Klees:** It should be read word for word.

**Ms. Helena Jaczek:** I'm sorry. It must have been an earlier copy.

The amendment to the motion that we would like a recorded vote on—

**The Chair (Mr. Norm Miller):** We're just listening—

**Mr. Gilles Bisson:** Just to let you know, we're jumping in.

**The Chair (Mr. Norm Miller):** Sorry?

**Mr. Gilles Bisson:** We're putting ourselves on the list.

**The Chair (Mr. Norm Miller):** Okay, fine. Go ahead with that, please.

**Ms. Helena Jaczek:** Okay.

The Auditor General shall also undertake to confirm the ONTC has historically operated at a deficit, spending more money on operations and capital repairs than it makes in revenue. And further, that the Auditor General shall also detail, from 1976 to 2013, expenses related to ONTC marketing, advertising and consulting fees.

**The Chair (Mr. Norm Miller):** Okay, that's the motion.

I believe I saw the NDP. Ms. Gélinas?

**M<sup>me</sup> France Gélinas:** Thank you, Mr. Chair. My question is actually to the auditor. If we vote in favour of this motion, how much more work is involved from your office to comply with this versus if we were to have the motion as presented by Mr. Fedeli without the operation review? I'm interested in looking at—how much time and resources from your office to comply?

**Mr. Jim McCarter:** Speaking to Mr. Fedeli's motion: My concern, I guess, with that motion was just the words in there "and the operations," because my understanding was that the intent of the motion was to have us look at just the actual costs or savings of the divestment—period; full stop—and not look into the full operations of ONTC. I did clarify that with Mr. Fedeli. That was the intent of the motion. That would be a shorter piece of work; it's fairly specific in nature.

Again, if the committee were to pass the amended motion, that would certainly require more work on our part to look into some of the operations and the capital repairs and get this information. I think we'd be looking at—that would certainly take us at least several additional months to conduct that work; I'd have to say at least three, four, five additional months to do it.

If we were looking at the first motion, I would think we would hope to get that wrapped up probably about the same time as we'd be hoping to wrap up the Oakville power plant, which, as I indicated to the committee, I felt would be in the summer. We might have to decide which one—internally, at the senior level—we give priority to, but I think we'd be looking at wrapping up Mr. Fedeli's motion in late summer. Maybe we'd be tabling it in the first week of September when the House came back.

Certainly, we wouldn't be able to do that under this particular motion. We would need to spend a fair bit of time, and I think it would have some staffing implications for our office. We'd probably have to come back in the fall to do some work at ONTC, because it's a more extensive motion, and it would just take us a bit more time to do that motion.

**The Chair (Mr. Norm Miller):** Ms. Jaczek?

**Ms. Helena Jaczek:** Yes, thank you, Chair.

I think it was the addition in the original motion, "and the operations," that kind of triggered our line of thinking. As Mr. Bisson has outlined it, obviously, the issue of the ONTC is a major, major issue—especially for the north—but I think our government is really interested in



having a full description of the ONTC, historically, so that we can really come to grips with this.

**The Chair (Mr. Norm Miller):** Mr. Bisson?

**Mr. Gilles Bisson:** Two or three things. First of all, the first part of the motion says, "The Auditor General shall also undertake to confirm the ONTC has historically operated at a deficit...."

**M<sup>me</sup> France G  linas:** I can do that. I already know that.

**Mr. Gilles Bisson:** Yes. We can tell you that is the case. There is an operating subsidy that has been given to the ONTC for many years—around \$25 million to \$28 million a year. There's also an operating deficit that's covered by the Ontario government when it comes to GO Transit, and the part that's infuriating to me as a northerner is, I look at this—it's almost as if, "Well, you know, it's okay to subsidize transportation in southern Ontario, but God, it's a terrible, fiscally irresponsible thing to do, to do it to northerners." Excuse me; I can't support it just on the basis of that.

Then: "spending more money on operations and capital repairs than it makes in revenue." Yes, at times you have to buy trains. At times you have to fix the railway tracks. Sometimes you've got to fix a bridge. We do that all the time in southern Ontario. We're glad as northerners to give our wealth from mining and forestry and hydro development, and the taxes we pay, to southern Ontario to fix your roads, your bridges and all of those things that make southern Ontario run. We're fine with that; we're just asking you to do a little bit for us in northern Ontario. It shouldn't be seen as a negative. The fact is, it's part of the infrastructure, and that's what it costs to run a province when it comes to transportation.

The last part is—and pardon me if I'm being a little condescending, but I'm being condescending for a reason, because I feel as if it's kind of condescending to our party, the whole approach that the government has taken on this. The last part is, "And further, that the Auditor General shall also detail, from 1976 to 2013, expenses related to ONTC marketing, advertising and consulting fees." We have asked this government, since the announcement of divestiture or the privatization of ONTC, to strike a committee of northerners—and we're talking about northern mayors, we're talking about shippers, we're talking about the unions and other people interested in the north—to take a look at that very issue, because we in northern Ontario are mad as hell that governments have not done what they should do to try to position the ONTC to be the agency that it can be.

They've done a great job, considering the small amount of support they've gotten from the provincial government, of running a pretty efficient organization without, maybe, the type of support they need to even broaden their mandate. For example, one of the things that the ONTC wanted is that they wanted to be able to bid on additional contracts for refurbishment in North Bay. The government said no. Well, there's a loss of revenue. The list goes on and on.

People said, "Well, rather than having day trains all the time in the way that we do, why don't we look at a

night train? Why don't we look at a tourist train? Why don't we look at other things that we can do to make the ONTC a more viable operation, but, more importantly, be the economic developer that it should be in northern Ontario?"

I don't need the auditor to look at this, to be quite blunt. This is something that we've asked this government to do by way of the request that New Democrats made when you announced the privatization of the ONTC, and I would ask you to probably take that request more seriously than to support this part of the motion.

**The Chair (Mr. Norm Miller):** Mr. Klees.

**Mr. Frank Klees:** Chair, I think in light of Mr. McCarter's comments about the additional resources that would be required and the amount of time that would be required to comply with the audit as proposed in this amendment, certainly we would not be supporting it.

I think, in fact, what we want to do is narrow the scope, as was referred to by the auditor, and I will be proposing an amendment to remove the three words from the motion, "and the operations," because we do want—

*Interjection.*

**Mr. Frank Klees:** I'm just giving the context of why we're opposing this amendment.

You know, the other aspect to this is that the sale of the Ontera division is imminent. Time is of the essence. I think it's important that we have the information available to us that is requested through Mr. Fedeli's motion. For that reason, we will be opposing this amendment.

**The Chair (Mr. Norm Miller):** Ms. Jaczek.

**Ms. Helena Jaczek:** I will simply reiterate that we're very anxious to have a full picture. We're very confident in our estimate, in terms of the potential for narrowing the scope, but in view of the concerns that we've heard, I think it was, from our perspective, an opportunity, in reaction to Mr. Fedeli's original motion, to explore the issues very fully.

Actually, my colleague Ms. Damerla has a comment as well, if she may, Mr. Chair, from her accounting perspective.

**The Chair (Mr. Norm Miller):** Certainly.

**Ms. Dipika Damerla:** My question is to the auditor. You know the \$500 subsidy that we talk about? Is it just the operating subsidy, or does it build in the depreciation on the capital cost? So to his point earlier—I guess he has left—that yes, it costs money to buy a train, I understand that; but then you depreciate it over the life and you build it into your operating expenses as depreciation. That's what we're really trying to get at, as to whether we already have that \$500 figure. Does it already build in capital cost depreciation or not?

**Mr. Jim McCarter:** I can say that we have not looked into, done any work on the number that was in the last budget, nor have we done any work on the subsidy. I think some of the issues that you've raised as a fellow chartered accountant would be the sorts of issues that we would look into, should this motion pass by the committee.



**Ms. Dipika Damerla:** So I do urge that there is some merit to this motion and that it would be in all our advantage to pursue this. But then I'll leave it up to you guys.

**The Chair (Mr. Norm Miller):** Ms. Gélinas, and then I'll come back to you, Mr. Klees.

0940

**M<sup>me</sup> France Gélinas:** I can't sit here and take it any longer. This is so, so disrespectful to the people of the north when you put in a motion that starts with "ONTC has historically operated at a deficit, spending more money on operations ... than it makes in revenue." This is treating us as if we are not worthy of government investment. I cannot tell you how much damage you're doing when you use language like this. We, in the north, are just as worthy as everybody else in the province.

My colleague from Timmins—James Bay opened up in telling you that we have no problem in the government investing in GO Transit. We don't ask GO Transit if they have historically operated at a deficit. If the government hadn't invested in GO Transit—don't use that language. It is so divisive. It is so hurtful.

I can't sit here and take this anymore. I will be voting against. What you're doing is not for the good of Ontario. We are not going to make things better by supporting amendments like that. I'll be voting against.

**The Chair (Mr. Norm Miller):** Mr. Klees.

**Mr. Frank Klees:** I just wanted to say that the issue that Ms. Damerla raised will be dealt with by the Auditor General in the motion as presented by Mr. Fedeli. That's part of the work that he would do, and we want that information sooner than later. I would suggest we have a vote.

**The Chair (Mr. Norm Miller):** Ms. Jaczek.

**Ms. Helena Jaczek:** Just in response to Ms. Gélinas's comments—absolutely no intent whatsoever for disrespect to the north. If it were GO Transit, it would be acknowledged, obviously, that there are subsidies from government. But that's not the issue before us here. So there was no intent for any disrespect whatsoever, and we're happy to have a recorded vote.

**The Chair (Mr. Norm Miller):** Okay. Ms. Gélinas.

**M<sup>me</sup> France Gélinas:** There is no transit that operates at a surplus. Every transit system gets a subsidy. Why do you open with something like this, except to be hurtful? Anyway, I'd like to call the vote.

**The Chair (Mr. Norm Miller):** Any other comments? No other comments? It's a recorded vote, and only those who are properly subbed into the committee can vote, and you vote by a show of hands.

#### Ayes

Damerla, Jaczek, McNeely, Qaadri.

#### Nays

Barrett, Gélinas, Klees, Singh.

**The Chair (Mr. Norm Miller):** We have a tied vote. As the Chair, I'm not going to decide what the committee can't decide on its own, so the motion will stay in its original form.

We have the motion in its original form. Mr. Klees.

**Mr. Frank Klees:** Mr. Chair, as I mentioned previously, I would like to propose an amendment to this motion, and that would be to remove the words "and the operations" from the original motion.

**The Chair (Mr. Norm Miller):** Comments? Ms. Jaczek.

**Ms. Helena Jaczek:** I guess I would like to hear from the Auditor General. We were going to support the original motion. What effect does the removal of those three words actually have?

**Mr. Jim McCarter:** If the committee will confirm to me that, notwithstanding those three words, the intent of the motion is for us to focus our work on looking at the costs or savings of the divestment—period; full stop—then that's what we would do even if the motion is worded as is, because the committee has basically confirmed, "Yes, auditor, that's what we want you to focus your work on."

But the issue that I was seeking some clarification on was from Mr. Fedeli in the motion when it said "and the operations." Was the intent of the motion that we go beyond just looking at the costs or savings associated with the divestment and actually look into the operations of the ONTC from a value-for-money perspective, which would be a much larger piece of work? I didn't think that was the intent of Mr. Fedeli's motion, but I just wanted to clarify that and have that on the public record, if I could.

**The Chair (Mr. Norm Miller):** Mr. Fedeli.

**Mr. Victor Fedeli:** Thank you. Auditor, when we first came in, you had asked me about those three words—

**The Chair (Mr. Norm Miller):** If I can clarify—I think it's actually four words, because otherwise there would be two "ofs" in there—"and the operations of."

**Mr. Victor Fedeli:** It is four words.

You had asked me to clarify, and I clarified that because the sale of Ontera is imminent, we want this audit at the earliest possible convenience, and your advice to me was—because of the extra time it would take to add those four words—to remove those four words to limit the scope to what we're really looking for.

**Mr. Jim McCarter:** If the intent of the committee is that, notwithstanding those four words—the committee is making it clear to me that, "No, Auditor, the intent of this motion is, we want you to focus your work on looking at the costs and the savings of the divestiture and report back to us as quickly as you can"—period; full stop. I understand—

**Mr. Victor Fedeli:** But we're happy to take those four words out. In fact, that's the amendment.

**The Chair (Mr. Norm Miller):** Ms. Gélinas?

**M<sup>me</sup> France Gélinas:** So what I'm hearing from you, Mr. Auditor, is that it doesn't matter if the wording stays the same—avoids some protocol—as long as I can tell you that what I want is exactly what you described.



**Mr. Jim McCarter:** Even if the wording stays the same, as long as it's on the public record that "Yes, Auditor, that's what we want you to do; that's the intent of the motion," I'm fine with that. I've got my marching orders, so to speak.

**The Chair (Mr. Norm Miller):** Ms. Jaczek.

**Ms. Helena Jaczek:** Obviously, our position would be consistent. We'd like it to remain as it was. The scope, I guess, is as you will be determining what your interpretation is. But we would prefer to have those words remain within the existing motion.

**Mr. Jim McCarter:** And whatever the committee wants us to do, we will do.

**The Chair (Mr. Norm Miller):** Mr. Klees.

**Mr. Frank Klees:** Mr. Chair, look: In light of Ms. Jaczek's comments, it's very clear that she would like to have an expanded scope, and that's why she wants these words left in the motion. With all due respect to the Auditor General—and I hear what he's saying—I think that for clarity it's important that we remove these words so that there can be no doubt in anyone's mind as this moves forward.

The Auditor General is leaving. We want to ensure that his successor has the full and clear direction of this committee. So I will insist that we have a vote on this amendment so that the intent of the mover of the motion is made very clear.

**Ms. Helena Jaczek:** I'll be requesting a recorded vote on the amendment proposed by the official opposition to remove the words.

**The Chair (Mr. Norm Miller):** Mr. McNeely.

**Mr. Phil McNeely:** I'd just like a comment from the Auditor General on this. It seems to me that there are a lot of capital commitments that must be made to continue this. I think that's why we should have "and the operations." We should have to look at the future and those needs. I think that we should have the words "and the operations" in there.

**Mr. Jim McCarter:** Basically, whatever motion the committee passes, we'll do our work in accordance with the motion. The comments I'm hearing, too, I can tell you, we would take into consideration in determining the extent of our work.

**The Chair (Mr. Norm Miller):** Any other comments? A recorded vote.

#### Ayes

Barrett, Gélinas, Klees, Singh.

#### Nays

Damerla, Jaczek, McNeely, Qaadri.

**The Chair (Mr. Norm Miller):** Again, we have a tie vote, and again the Chair is not going to decide something that the committee can't decide on its own. So we revert to the original motion. Any discussion on the original motion? Ms. Gélinas.

**M<sup>me</sup> France Gélinas:** I really want to stress the importance of moving with this in as quick a manner as possible. The decision to sell off Ontario Northland is having a real effect on a lot of real people in northern Ontario. We have a new Premier. She has shown an openness toward the north and has heightened expectation in northern Ontario that things could be better.

0950

There's this great big question mark that remains out there. The only reason we were ever given that Ontario Northland was going to be sold off was because we were in a tight financial position. The province had a huge deficit, and they justified the selling off as a way to save money.

The Auditor General's office is very much trusted. If he comes back and puts numbers on the table, we will believe him—as opposed to what we have now; the people of Ontario don't believe any of it. They don't believe any of it. Let the auditor tell us—he may very well end up telling us the exact same numbers. The members from the Liberals seem to think their numbers are bulletproof. If they do, and if it comes from the mouth of the Auditor General, he will be believed, and that will help a whole lot of people make peace, turn the page and accept, because right now, the level of rage and anger about this issue is not going away. It's just getting worse and worse. As you give people reason for hope, it's actually making things worse. People are expecting results. People are expecting changes.

I urge you, Mr. Auditor: As soon as you can, give us those numbers—please do. There are 1,000 workers and their families waiting on your words to be able to move on.

I will end by saying the same thing as my colleague has said before. It doesn't matter what the numbers are: An investment in transportation in northern Ontario is a wise investment.

**The Chair (Mr. Norm Miller):** Ms. Jaczek.

**Ms. Helena Jaczek:** Certainly, I'd like to echo Ms. Gélinas's remarks related to our new Premier. I think she is very open. That was certainly the intent behind broadening the scope, perhaps, of this study by the Auditor General. If there's a desire for speed in terms of the actual estimate, I would see very clearly that that is the focus. As I've said before, we're feeling confident in terms of our estimates and we look forward, in fact, to the Auditor General's findings.

**The Chair (Mr. Norm Miller):** Okay. Any other comments? We're fine? We'll have a vote.

All in favour of the original motion?

**Mr. Gilles Bisson:** Just one second. I wanted to add something to the—sorry, I put my hand up, but I didn't realize.

**The Chair (Mr. Norm Miller):** Sorry. Mr. Bisson.

**Mr. Gilles Bisson:** I just want, for the record, to say one thing that I think is important to be said. I'm sure that the auditor is going to come back and find that, in fact, there are some savings to be had by not spending money on capital. But what does that mean? If the government



decided tomorrow not to spend any capital on the Highway 400 series in Ontario, I'm sure that we would save money. But is that the outcome that we want?

I have full confidence, Auditor, you will come back and you will say, "Oh, there are some savings. If we don't spend money on buying new trains and fixing rails in northern Ontario, there's going to be money saved." I'm not surprised you're going to find that. The reality is those are investments for Ontario, as my friend said.

**The Chair (Mr. Norm Miller):** Mr. Fedeli.

**Mr. Victor Fedeli:** I too want to have a bit of a close. In the letter that I wrote to the former Premier, the current Premier, the former Minister of Northern Development and Mines, and the current Minister of Northern Development and Mines, our request has been the same: Number one, hit the pause button—and I'm hoping they will hit the pause button, despite the Liberal efforts to delay this report—and do a strategic asset review of all of the assets of Ontario Northland, including Ontera. This fire sale has certainly been rushed.

When you and I, Chair, toured 1,600 kilometres of northern Ontario this summer, we found that there is huge uncertainty in the business community. One large multinational would not spend the \$10 million on an expansion in the northeastern part of Ontario, the furthest extent of Ontario Northland's line, because of this uncertainty. They did not know if there would be rail freight (a) open, or (b) even existing in the future. So there is huge uncertainty.

Our party has pledged to keep rail freight in public hands, but the real point is that the timing of this, Auditor, can't be stressed enough; that small business throughout North Bay, all the way through Timmins and Hearst, are holding back small investments and laying people off because of the uncertainty of the 1,000 Ontario Northland employees, but now it's big business, when you have one not spending \$10 million last summer, as the Chair and I both know—\$10 million is just one company that did not spend until they hear an answer from Ontario Northland.

I also urged the government in my letter to take seriously the employees of Ontario Northland, who have offered what they call the "new deal."

I think, if I can echo the member from Nickel Belt's sentiment, everybody's eyes are on you on this, Auditor. Everybody is watching this. We need this number from you. Quite frankly, the \$265.9 million is a made-up number, in my opinion, based on one year of one-time costs they stuffed into the last year to inflate that number to be able to justify that. We need that disproved, and in my opinion it will be disproved.

**The Chair (Mr. Norm Miller):** Mr. McNeely?

**Mr. Phil McNeely:** Just to add to that, the intent of the Premier and the northern members in the Liberal caucus is to make sure that investments are made in the north, and they're looking at what investments should be made in the north. So it's not a matter of looking at the north as not being extremely important. There is that sense of fairness in anything I've heard the Premier say,

and we just want to make sure that the picture is presented properly here.

**The Chair (Mr. Norm Miller):** I think the auditor has a comment. Go ahead.

**Mr. Jim McCarter:** Just to sum up, from the gist of what I've heard from the committee, that my sense would be: "Auditor, the focus of your work would be"—because there is some urgency to this—"to focus on what you believe would be the costs or savings from the divestiture—notwithstanding, if you see something during your work in the operations of ONTC that you think should be brought to the committee's attention, we encourage you to include that in your report." Would that be a fair summary of what I've heard today?

**The Chair (Mr. Norm Miller):** Ms. Jaczek, were you seeking—

**Ms. Helena Jaczek:** Thank you, Chair. I was just going to say that, yes, I think that would reflect our thinking.

**The Chair (Mr. Norm Miller):** Okay. I think we're ready for a vote. All in favour of the original motion? Carried.

Okay, now we have to go into closed session for a few minutes to deal with an item we were talking about last week, so we shall go into closed session.

*The committee continued in closed session from 0958 to 1008.*

**The Chair (Mr. Norm Miller):** Okay, we're back in open session to deal with a proposed motion. Who's going to be moving this motion? Mr. Klees.

**Mr. Frank Klees:** I move that the Standing Committee on Public Accounts request confirmation from the Ministry of Health and Long-Term Care and Ornge that the documents tabled with the House on January 18, 2013, (sessional paper 84ii), by the Ministry of Health and Long-Term Care are identical to the redacted version of the documents filed with the committee from Ornge on October 2, 2012.

You note that I inserted the words "identical to." I trust we're okay with that.

**The Chair (Mr. Norm Miller):** Any comments? No comments.

All in favour? Carried.

Okay, we shall recess until—

*Interjection.*

**The Chair (Mr. Norm Miller):** Ray has some comments he would like to make.

Okay, we're recessed until 12:30.

*The committee recessed at 1009 and reconvened at 1430 following a closed session.*

**The Chair (Mr. Norm Miller):** The public accounts committee is back in open session, and we have a couple of motions to do with document requests. Mr. Klees?

**Mr. Frank Klees:** I move that the Standing Committee on Public Accounts request of Ornge air ambulance, Ornge Global US Risk Inc., 4495128 Canada Inc., 7506406 Canada Inc., 7731272 Canada Inc., Ornge Global US Risk Inc., Ornge Global Brazil Holdings Ltd.,



J Smarts, Ornge Foundation, Ornge Global Real Estate Inc., Ornge Real Estate Inc., Ornge Issuer Trust, Bare Trustee, Ornge Global Management Inc., Ornge Global GP Inc., Orngeco, Ornge Global Holdings LP, Ornge Global Air Inc., Ornge Global Corporate Services Inc., Ornge Global US Inc. and Ornge Global Solutions Inc., under its control from inception up to and including March 6, 2013, whether in operation or not, produce the following documents to the committee within 14 days of the passage of this motion:

- all banking records and statements;
- all international money transfers to either personal or corporate accounts;
- all domestic money transfers to either personal or corporate accounts;
- the names and programs, broken down by employee, as well as all records financial or otherwise, related to payments or expenses paid to institutions, persons or external entities about any schooling, certificates, diplomas, degrees or professional development; and

—all expenses, expense reports and receipts for employees since September 1, 2011.

**The Chair (Mr. Norm Miller):** Any discussion? No discussion. All in favour? Carried.

There's another motion which has been handed around. Mr. Klees?

**Mr. Frank Klees:** I move that the Standing Committee on Public Accounts request of Ornge air ambulance, Ornge Global GP Inc., and Ornge Global Management Inc. produce the following document to the committee within 14 days of the passage of this motion:

Life insurance policy number L1-J340, 574-6 dated November 29, 2010, issued by Sun Life Assurance Company of Canada.

**The Chair (Mr. Norm Miller):** Any discussion about this? All in favour? Carried.

I believe that is all the business for today, so the committee will reconvene on Wednesday, March 20 at 9 a.m. Thank you.

*The committee adjourned at 1435.*





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#### **Chair / Président**

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Mr. Toby Barrett (Haldimand–Norfolk PC)

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Mrs. Donna H. Cansfield (Etobicoke Centre / Etobicoke-Centre L)

Mr. Frank Klees (Newmarket–Aurora PC)

#### **Also taking part / Autres participants et participantes**

Mr. Gilles Bisson (Timmins–James Bay / Timmins–Baie James ND)

Mr. Victor Fedeli (Nipissing PC)

Mr. Jim McCarter, Auditor General

#### **Clerk / Greffier**

Mr. William Short

#### **Staff / Personnel**

Mr. Ray McLellan, research officer,  
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ISSN 1180-4327

## Legislative Assembly of Ontario

Second Session, 40<sup>th</sup> Parliament

## Assemblée législative de l'Ontario

Deuxième session, 40<sup>e</sup> législature

# Official Report of Debates (Hansard)

Wednesday 20 March 2013

# Journal des débats (Hansard)

Mercredi 20 mars 2013

## Standing Committee on Public Accounts

Special report, Auditor General:  
Ornge Air Ambulance and  
Related Services

## Comité permanent des comptes publics

Rapport spécial, vérificateur  
général : Services d'ambulance  
aérienne et services connexes  
d'Ornge



Chair: Norm Miller  
Clerk: William Short

Président : Norm Miller  
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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES  
COMPTES PUBLICS

Wednesday 20 March 2013

Mercredi 20 mars 2013

*The committee met at 0900 in room 151.*SPECIAL REPORT, AUDITOR GENERAL:  
ORNGE AIR AMBULANCE AND RELATED  
SERVICES**The Chair (Mr. Norm Miller):** I call the committee to order.

We're going to be going into closed session to look at some documents that are of a confidential nature. So we shall go into closed session now.

*The committee continued in closed session from 0900 to 1230.*

**The Chair (Mr. Norm Miller):** I'd like to call the committee to order, then, and first of all just note that we did discuss a number of documents that have been presented to the committee and agreed that they would all remain confidential and that there would be an opportunity for all three caucuses to review them for a time period and then determine which, if any, of those documents might be released to the public. They were from the Ministry of Finance and the Ministry of Health from the motions of May 9, 2012, June 13, 2012, June 13, 2012, and August 2, 2012. That is it. So I just note that for the record.

Yes, Mr. Klees?

**Mr. Frank Klees:** Chair, just further to documentation, we all received the letter from Ornge this morning, and we'll have some further discussion with Dr. McCallum about his response to our request for financial information. That letter seems to make it clear that Ornge is taking the position that documents that are currently under their control they'll deliver. There was reference to a number of these corporations that are either in bankruptcy or, for some other reason, Ornge no longer has control over them.

I'm not satisfied that we simply, as a committee, leave it there. I asked the minister this morning if she would agree to do what she can to help us source that information, but I would look to the Clerk perhaps to give us some guidance in terms of what we as a committee would have to do to follow up with the trustee in bankruptcy, if that's the direction that we have to go, with regard to some of these other documents. On the reference to the insurance policy, again Ornge is saying that they don't have control and they cannot deliver that. I think we need to follow up either with Sun Life, the trustee if that's the case, or Dr. Mazza himself to get his

agreement to produce that document. I just think that as a committee, we have a responsibility to do what we can to ensure that we have possession of those documents.

**The Chair (Mr. Norm Miller):** Our Clerk will look into that. He just received the letters this morning, so he hasn't a great deal of time to fully research them. But he will take what you've said and look into it further.

**Mr. Frank Klees:** Thank you.

## ORNGE

**The Chair (Mr. Norm Miller):** Can we start with the witness? France, could you—

**M<sup>me</sup> France Gélinas:** Yes; absolutely.

**The Chair (Mr. Norm Miller):** Okay, so if we could call our first witness this afternoon: Dr. Andrew McCallum, president and chief executive officer of Ornge. Welcome, Dr. McCallum. I understand you have received the letter for witnesses testifying before the committee.

**Dr. Andrew McCallum:** That's correct.

**The Chair (Mr. Norm Miller):** Very well. You're going to do an affirmation, I believe?

**Dr. Andrew McCallum:** Yes.

**The Chair (Mr. Norm Miller):** Okay. Our Clerk will do that with you.

**The Clerk of the Committee (Mr. William Short):** Dr. McCallum, do you solemnly affirm that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth?

**Dr. Andrew McCallum:** I do.

**The Clerk of the Committee (Mr. William Short):** Thank you.

**The Chair (Mr. Norm Miller):** Very well. You have 10 minutes for an opening statement, and then we'll have rounds of questions from the three parties.

**Dr. Andrew McCallum:** Thank you very much, Mr. Chair. Good afternoon, members of the committee. My name is Andrew McCallum, and I am the president and chief executive officer of Ornge. I appreciate the opportunity to appear before you today so that I may provide you with updates on the important work under way at Ornge and talk about the excellent staff who come to work every day for the benefit of Ontario patients.

I want to begin by saying how excited and energized I am to be leading this organization. I believe that we have a superb board, and a group of pilots, paramedics, com-



munications officers, aircraft maintenance engineers, executive staff, management staff and a whole host of other support staff who are second to none. I want to express my appreciation to all of them. They have truly made me feel welcome over the course of my first weeks at Ornge, and it is an honour to be part of this team of dedicated professionals. I also want to acknowledge the fact that they've had to carry out their duties under difficult circumstances not of their own making.

This is an important time in the history of air ambulance in the province. It's indeed a long history, one which I had the privilege of being a part of, earlier in my career. I started my career in Canada's military as a flight surgeon and followed that with training in emergency medicine at a time when there was only one air ambulance in Ontario operated by the government. At that time, I learned about the specific challenges of transporting a critically ill patient in a mobile environment and gained an appreciation for the work of our front-line staff that is carried out each and every day across Ontario.

From there, I practised emergency medicine for more than 20 years, with a heavy focus on the care of major trauma. I know, from both the sending and the receiving hospital perspectives, the challenges faced in moving patients safely and quickly to the care that they need.

I have held a series of leadership positions since then, culminating in my role as chief coroner for the province of Ontario for the past almost five years. As a coroner, I focused on safety, both of the public and of the patient.

I commenced my duties at Ornge on January 21, 2013. In my eight weeks at Ornge, I've had the opportunity to travel to a number of our bases, and I look forward to meeting face to face with the rest of our staff across the province. Throughout these visits, I have been asking for their advice, and I have been impressed with their candour and practical suggestions to improve the service. And we are listening.

I have told staff of three principal challenges that we must meet in maintaining the excellent patient care that Ornge provides every single day. The first challenge is that we need to focus our core businesses. We will be working hard on this over the next few months.

I believe that we are fundamentally a pre-hospital and inter-hospital care provider. This means establishing our mission profiles, and not just a one-size-fits-all model for the province. Each of our bases in Toronto, Markham, London, Ottawa, Peterborough, Sudbury, Timmins, Thunder Bay, Kenora, Sioux Lookout and Moosonee provides a very different service.

In the urban settings of southern Ontario, we are called upon frequently to provide rapid air ambulance response for traumatic incidents like motor vehicle collisions. But in the Far North, this is far from their reality. Some communities have no paved roads. For places such as Fort Albany or Kashechewan, Ornge is often the only way out of the community when a medical emergency arises, and this often means long-distance transport by our fixed-wing aircraft. More than 60% of our transports

occur north of Sudbury, and it's a responsibility we take very seriously.

Given the divergent services provided by Ornge, and the north-south divide that exists, it is essential for us to establish and communicate our mission profiles.

Going along with this, the second challenge that we must meet this year is that we must refresh and update the strategic plan for the organization. This might not seem like a critical item to those who are on the front lines, but of course one quickly realizes that if one doesn't know where one is going, one won't get there. That's what strategic planning is all about, and we're going to do that in the next few months. Our strategic plan will refocus our vision, mission, values and goals and objectives. I can tell you that I am making no assumptions except that we will do everything for the maximum benefit to the patients we serve.

The final challenge is our financial position, as it always is in the public sector. The transport of critically ill patients in the air and on land is, by its very nature, an expensive endeavour. On top of that, we are dealing with the implications of financial decisions made under previous leadership. While handling this situation will not be easy, we are fortunate that there are real opportunities to correct these problems, and the executive team and I will be working hard to identify them while still maintaining our core business.

Aside from articulating a vision for the service, we continue to make progress in resolving operational issues, about which this committee has heard much. In January, we announced a commitment to add a third line of paramedics at our Thunder Bay base to ensure all of our vehicles serving northwestern Ontario are staffed properly. We're working on that, and it's a work in progress, but we'll be able to report on that shortly.

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We successfully implemented the interim medical interior in our fleet of AW139 aircraft, and the process of finding a permanent solution is well under way. We continue making improvements within our operations control centre, including the certification of all the staff in the medical and flight specializations and the acquisition of new dispatch software later this year.

All of this is taking place on a backdrop of transparency and accountability. This is vitally important to ensure we regain the trust of the people of Ontario. We've made considerable progress in this area over the past year with the introduction of conflict-of-interest and whistle-blower policies, the posting of expenses and salary ranges on our website, the amended performance agreement which has boosted government oversight of Ornge, and a publicly posted quality improvement plan, just to name a few. This has led to a more robust model of government oversight for our organization and has significantly strengthened our relationship with the Ministry of Health and Long-Term Care. This, in turn, will lead to better value for money for taxpayers.

It has been said over the past year that Ornge has been one of the most reviewed, investigated and audited public



sector organizations operating anywhere in Canada. With each review, we have learned more about what can be done to make our service better. This process continues to this day.

While I was chief coroner, I asked the patient safety review committee of the Office of the Chief Coroner, under the leadership of Dr. Dan Cass, who is now interim chief coroner, to review deaths where air ambulance transport may have been a factor. Now, in my new role as CEO at Ornge, I look forward to seeing the results of this review and any recommendations that may be made which we can use to improve patient care. In addition, we are respectful of the ongoing Ontario Provincial Police investigation, and continue to co-operate fully.

I am also mindful of why we're all here at the public accounts committee today, which is the Auditor General's report on Ornge released just about one year ago. We are committed to ensuring that the recommendations set out in Mr. McCarter's report are implemented. This committee has done some fine work in examining the circumstances that brought Ornge to the point where management and the new volunteer board of directors assumed responsibility in early 2012. We appreciate your work, and we look forward to reading your report and any recommendations you may have.

I do want to point out that, parallel to the efforts of this committee and other agencies looking into Ornge, the staff at Ornge has been working diligently and tirelessly to rebuild the organization. This is a significant task, especially since the media and political spotlight have, understandably, been focused on things that happened in the past. One of the biggest challenges we've faced under these exceptional circumstances is ensuring our people are focused on the future rather than looking in the rear-view mirror.

I would respectfully ask this committee that you afford us the opportunity to continue to look forward, improve the service and put together a vision for air ambulance in this province. We have come a long way. But we have much work to do, and the people need to be given leeway to get the job done.

I want to close my remarks by reiterating that the principal strength of Ornge is the highly committed people who work within it. This is often said, but we believe that to our core. Every day, Ornge staff members meet the public and take care of patients, wearing uniforms emblazoned with our logo. My goal for the organization is that each of these people wearing our uniforms and riding in our vehicles, flying our aircraft and caring for patients and working in our offices will feel proud to be seen doing their duty. In turn, I want the people of Ontario to see our people and our vehicles, and have a sense of confidence that, should the worst happen, they will receive the very best possible care. Thank you.

**The Chair (Mr. Norm Miller):** Thank you, and thank you for that opening statement. We'll have 20-minute sessions for each caucus, and there'll be a few minutes left over after that with a little flexibility. We'll start with the opposition: Mr. Klees.

**Mr. Frank Klees:** Thank you, Dr. McCallum, for your opening remarks. You indicate that we should be looking forward to the future, and I agree with you. But given the history of Ornge, I believe we also have a responsibility to be very mindful of what took place in the past and ensure that the structure and the leadership and the oversight is in place to ensure that what happened in the past won't happen again.

**Dr. Andrew McCallum:** I agree.

**Mr. Frank Klees:** A common theme over the 57 witnesses that we've heard from over 16 days of hearings has been consistently the lack of oversight on the part of the Ministry of Health. I want to start my question off with this: How many times have you been asked to meet with the Minister of Health to receive a report and to discuss the progress that is being made on both the operational issues as well as the financial circumstances in which Ornge finds itself?

**Dr. Andrew McCallum:** With the minister to date in the eight short weeks I've been involved in the organization, I have not met with her yet regarding the—

**Mr. Frank Klees:** I'm sorry?

**Dr. Andrew McCallum:** I have not met with her regarding the matters you've raised.

**Mr. Frank Klees:** She has never asked you to meet with her?

**Dr. Andrew McCallum:** Not to date.

**Mr. Frank Klees:** You see, that's disturbing to me, because one would have thought that, given the excuses that we've had over the last number of months from the minister, the reason that things were allowed to slide is because she didn't know about what was going on—she told us that she actually asked for meetings with Dr. Mazza and he didn't show up. I would have thought that one of the first priorities that she would have would be to have regular meetings with you to be briefed on the progress that you're making.

I'd like to follow up on something. I need to clear the air, Dr. McCallum. Please bear with me. The reason that I'm going to be asking you the questions that I am is because we come from a culture in Ornge that was anything but transparent, anything but accountable. The decisions that were made were made behind closed doors. Whether the ministry knew about it or not, there's a cloud that certainly we as a committee are well familiar with.

I have to tell you that I was first encouraged, because I personally sent you, as you well know, a number of referrals from constituents as well as people from across the province over the last year, year and a half, of family members who had a loved one who died while being transported or having been refused transportation by Ornge. We referred those cases to you. You always responded immediately to say, "It will be investigated." We have, and I'm sure you're familiar with, this cabinet document, that apparently was presented to cabinet on a monthly basis, that reported on incidents where Ornge was unable to be available, reported on 26 cases where a patient died while either under the care of, or—there was



an incident where Ornge air ambulance was not able to even take the patient on board because of the interior, because a paramedic felt that they couldn't provide the appropriate care. Of those, 24 cases were referred to the coroner, and I'm assuming that the coroner proceeded to investigate.

So we have a situation where you, as the chief coroner, were well familiar with the challenges that Ornge had, and you were investigating; your office was investigating. When I heard that you had accepted the job of president and chief executive officer of the same organization that you, your office, was investigating for possible deaths that may have been contributed to by the operations of that organization, I couldn't help but think that this would present a significant conflict to you as a professional.

I have a question for you, and that is, at what point did Ornge approach you—or did you approach Ornge—about this job?

**Dr. Andrew McCallum:** I can tell you that I was in the process of looking at what would be my next career move in mid-September. I wasn't aware that the CEO position at Ornge was available. It came to my attention as I was looking at jobs, and I think it was on the Internet; I can't remember the exact site that I was looking at. So I thought, you know, "Gee." I did, in fact, as you correctly state, know that there had been significant public issues with Ornge, but I thought that my particular skill set might be advantageous in a leadership role in the organization.

1250

To your point regarding the concern about conflict of interest: I wanted to be certain that I behaved in an ethical manner and that I did not in any way either appear to or in actuality influence the investigation, because I think it's a critically important investigation. As I said in my opening remarks, there may be recommendations that can improve patient care that arise from it—and answers that people need—from those investigations.

What I did was two things. One is that I spoke to the ethics executive, to whom I'm accountable—that is, the deputy minister of my ministry—and advised him of my interest so that he would be aware. The second is that I took pains and steps to ensure that I was not in any way involved with either the direction or the conduct of the investigation. That all was done under Dr. Dan Cass, so I in no way directed or assumed carriage of any of the investigations at that point.

**Mr. Frank Klees:** Had you had any involvement in overseeing those investigations at any time leading up to that point?

**Dr. Andrew McCallum:** Only insofar as the chief coroner's duty to supervise, direct and control coroners in the province broadly.

**Mr. Frank Klees:** So you were supervising—

**Dr. Andrew McCallum:** That's correct.

**Mr. Frank Klees:** —the investigations.

**Dr. Andrew McCallum:** All investigations.

**Mr. Frank Klees:** Yes. And you obviously had some sense that there would be a question about this, which is why you went to—

**Dr. Andrew McCallum:** I did, yes. It's a fair—it's a very reasonable question.

**Mr. Frank Klees:** You understand our concern.

**Dr. Andrew McCallum:** I do.

**Mr. Frank Klees:** You understand my concern on this.

**Dr. Andrew McCallum:** I do.

**Mr. Frank Klees:** When I talk to people about this and I say, "Think about this scenario: The chief coroner is investigating an organization that, quite frankly, has had a very questionable track record, and now that same chief coroner who had charge of that investigation is working for the company or for the organization that he was investigating," it leaves a lot of questions.

**Dr. Andrew McCallum:** Well, again, the important distinction I would make—and I think you appreciate this—is that I was careful to separate myself from the conduct of those investigations. In no way did I influence—nor will I. In fact, I have no knowledge of what the investigations will lead to.

**Mr. Frank Klees:** Okay. With regard to that, you must know how many investigations were being conducted that either were started to investigate deaths that involved Ornge and may have been closed and/or how many are continuing. In total, how many investigations involving—

**Dr. Andrew McCallum:** I actually don't know. I know that there are about 30, but you'd have to ask Dr. Cass, who could give you the definitive answer to that. I can't tell you.

**Mr. Frank Klees:** Do you know at this point, or when you were the chief coroner, were there any of those deaths where Ornge, or the conduct of Ornge, in fact played a role or contributed to the death of that patient?

**Dr. Andrew McCallum:** I don't, and I need to explain to you why. As I said earlier, Dr. Cass has conducted the investigations from the very start. He briefed me at a very high level back in May, when I asked him—and you'll recall this—if there were any cases, just to your question, that we could say Ornge's role had a material effect on the outcome. At that point, the answer was no, but as you said, there continued to be cases brought to our attention. For that reason, Dr. Cass said—and I agreed with him—"We really need to do a systematic look at all these cases, in a very comprehensive way." From that point on, I actually don't have any further knowledge.

**Mr. Frank Klees:** You use the term "material effect." In your news release of August 15, you make reference to that. "The Office of the Chief Coroner initially reviewed a number of deaths and found that none of them appeared to have been materially affected by issues pertaining to air ambulance transport."

When I read that—again, I admit to you that I was puzzled by this, and I think the families of any patient whose death may have been referred to the coroner's



office might be equally as concerned about it. What does it mean, “materially affected”? Can you define that for us?

**Dr. Andrew McCallum:** I think I can. What I would say it means to me is, did the role that Ornge played lead to the outcome? In other words—and we all know about the operational issues that were occurring at Ornge over the period of time—did those operational issues affect the outcome? Did someone die because of Ornge, to put it bluntly?

**Mr. Frank Klees:** And in none of the cases up to August 15, that would be the case?

**Dr. Andrew McCallum:** I can say that in none of the cases that I was aware of, up to June. After that point, I would not make that statement. I don’t know the answer, and it certainly would be a possibility that one would have to consider.

**Mr. Frank Klees:** Again, I find that very confusing. The cabinet document that is in circulation, available to committee members back in July 2011—one of the cases here. I’m just going to quote from the cabinet document. The committee members have it. I’m sorry that you don’t have it here, but it is on file. I’m just going to read this:

“While en route to an on-scene rotary-wing request, the CCP notified Sudbury CACC he was unable to perform CPR on the AW139 and would have to accompany the patient in the land ambulance. The patient subsequently was declared dead.” I’m not sure how that can’t contribute materially when the land ambulance had to refuse transporting a patient—send them by land ambulance. I would think that timing means a great deal.

There’s another, this one on July 17, 2011:

“Upon arrival at scene of a motorcycle accident, the single primary care paramedic on board the helicopter informed local land EMS that due to the interior design of the Ornge helicopter, he would be unable to perform CPR” on a patient. The patient “was transported by land ambulance and died en route.” I’m not sure how I could be convinced that that wouldn’t have had some material contribution to the patient’s death.

December 8, 2011:

“Responding to a collapse of a 14-year-old male, the single paramedic on board the Ornge helicopter informed local EMS he was unable to perform CPR on patient during transport. Patient transported by land and died.”

I could go on. This document is full of those examples. Dr. McCallum, I have a serious concern that—I’m going to ask you this question. Now you’re on the other side. Now you have responsibility to ensure that these things don’t happen again.

**Dr. Andrew McCallum:** You’re right.

**Mr. Frank Klees:** That interior that cost us millions of dollars was designed by an individual who is still on your staff and had responsibility to oversee the design of those interiors. Have you ever had discussions with him about this issue and how he could have allowed that to happen?

**Dr. Andrew McCallum:** I’ve been focusing on the go-forward. I wanted to make certain that we got the

interior corrected to the point where we could work with it; it’s an interim interior at the moment. But no, I’ve not gone backwards and said, “Why did this happen the way it did?” Again, it’s a valid question. It’s early days for me, but it’s something I will definitely be pursuing, because, as you correctly state, my most fundamental goal is to ensure that we don’t make mistakes that cost people their life or limb, and we should do everything we can to minimize that possibility.

I would add one thing, if I might, Mr. Klees, and that’s—quoting from the documents you did, there’s a paucity of information that would allow either you or I to determine whether or not there was a material effect. I don’t know the answer. I’m not saying you’re wrong that there was; I’m just saying that I’d need to know a lot more about the case, and I actually haven’t seen the document.

**Mr. Frank Klees:** I’d like to move forward, then, to deal with the circumstances as they are today.

**The Chair (Mr. Norm Miller):** You have four and a half minutes.

**Mr. Frank Klees:** Okay. In that case, Chair, what I’d like to do is defer to my colleague. I’d like to pick up on this with some continuity, following in my next round.

**The Chair (Mr. Norm Miller):** Okay; very well. We’ll move on to the NDP. Ms. Gélinas?

**M<sup>me</sup> France Gélinas:** Thank you, Dr. McCallum. Thank you for coming. My first question will be very similar to my colleague’s first question. I understand that you haven’t been on the job very long. You haven’t had an opportunity to brief the Minister of Health, but I would be interested in hearing from you: Who else have you been in contact with at the Ministry of Health to report on what’s happening at Ornge?

1300

**Dr. Andrew McCallum:** I have—and I don’t think it’s overstating it to say—daily contact with the director of the air ambulance oversight branch, Richard Jackson, and with Patricia Li, the ADM who has overall responsibility for Mr. Jackson’s portfolio. We have frequent contact—at the present time we have the auditors in from the Ministry of Finance as part of the business of the Ministry of Health. We have, I think, very significant contact with them. The oversight that I’m experiencing in this current job—my only benchmark is my old job—is very significant. I think it’s appropriate given the circumstances of what’s happened.

**M<sup>me</sup> France Gélinas:** Are you requested to prepare a written report that has to do with oversight of Ornge for the ministry?

**Dr. Andrew McCallum:** Yes.

**M<sup>me</sup> France Gélinas:** Talk to me a little bit as to what this looks like, where it came from.

**Dr. Andrew McCallum:** Every month we produce a series of financial and operational reports that go to the ministry. They are scrutinized, I know, by them, and they pay a great deal of attention to the various parameters and metrics that we use to indicate how we’re doing. There’s that. There’s an operations report that goes to



them every single month. And then there's more frequent interaction when issues of the day arise, so they're fully briefed on matters that might come out of a day-to-day operation that wouldn't fall within those monthly reports.

**Mr. Jagmeet Singh:** Are there any examples of when the ministry has raised a concern recently? What has the concern been?

**Dr. Andrew McCallum:** There are frequent examples. Obviously, the pay for performance was an area where there was a lot of dialogue. Our financial situation has been obviously one that has got the attention of the ministry—appropriately so. Our responsiveness to the Auditor General's report and what has been done in the areas that Ornge has carriage of, related to those recommendations; our quality improvement plan, which is currently being finalized for the coming year—those are just a few examples, but there are more.

**M<sup>me</sup> France Gélinas:** The report that you present with your financial position and operational position: Are those reports that your predecessor, Mr. McKerlie, was doing, or are they new since you're there?

**Dr. Andrew McCallum:** They're pretty much the same as what Mr. McKerlie was doing. I haven't changed the actual reporting structure.

**M<sup>me</sup> France Gélinas:** Who do you send those reports to?

**Dr. Andrew McCallum:** Mr. Jackson.

**M<sup>me</sup> France Gélinas:** The person who works—

**Dr. Andrew McCallum:** The director of the air ambulance oversight branch—or persons within his staff.

**Mr. Jagmeet Singh:** There's a number of issues regarding Ornge, and we're all aware of the scandal that surrounded that. Are there any outstanding issues in your mind that still need to be addressed? How are you addressing those?

**Dr. Andrew McCallum:** Well, we have a host of issues that need to be addressed. One of them is defining how we actually conduct our operation from the nerve centre, and that's the operations control centre. We need to streamline that process.

Let me give you an example of why that's important. I've been in this situation myself, and I know there are physicians on the committee. A small-town doctor is dealing with a desperately ill patient—badly injured or desperately ill. He or she now might have to make three calls to obtain help and move the patient to where they need to be. One call is to the receiving hospital to talk to the physician. Then they would have to call CritiCall. Then they would have to call Ornge. Each time they call these individuals, they have to give the information over again. That to me seems duplicative, and we ought to be able to do something about that. There are systems in the world where this is done in a seamless way by one entity managing it all.

Similarly we have, as you know, the Provincial Transfer Authorization Centre, which was put into place after SARS. That is added on—or bolted on, if you like—to the Ornge operation centre. It needs to be there; we need to do it because we've got to make sure we

control or manage outbreaks if they occur. We don't want another SARS situation, and we know it's going to arise; it's the nature of infectious disease.

Right now, some of those are done in a very inefficient way. It takes time from staff, and it makes it harder to transfer patients. There's another opportunity.

We have issues with aircraft deployment and being ferried around the province so that we have extra hours being flown that I think if we manage more efficiently—we've got new managers who are, I think, capable of making this kind of intervention—it would lead to some significant savings. I believe strongly that we can attain those savings and work within our budget so that we can deliver the services that need to be delivered.

**M<sup>me</sup> France Gélinas:** You mentioned that you've had a lot of discussion with the ministry regarding the pay for performance. We usually use the term “bonuses” around here, but I'm sure we can find a word that we can both agree with.

**Dr. Andrew McCallum:** We all know we're talking about the same thing.

**M<sup>me</sup> France Gélinas:** Yes, exactly. A lot was made of the legislation that was used for those employees to keep their bonuses was through federal legislation. Could you explain a little bit to us why you dealt with the federal labour laws rather than provincial?

**Dr. Andrew McCallum:** Well, it was actually the employees who sought redress federally because the company that they belonged to is federally incorporated, and that relates to the fact that it's an aviation company, which is a federally regulated activity. We are looking at ways and means, as we try to simplify—and I know the committee is interested in this—this incredibly complex corporate structure that evolved at Ornge. One thing we'd like to do is to move the active entity into a provincial organization. There are some legal issues that have to be surmounted for that to happen, but that would obviate the federal involvement.

But that's where it arose. This is actually a federally incorporated company because of the aviation element.

**Mr. Jagmeet Singh:** You mentioned simplifying the complex structure. What steps have been taken and what steps are you going to take to simplify the structure?

**Dr. Andrew McCallum:** The biggest one is the one I just spoke to. I'm not sure if the committee has received this document. Have you received that?

**M<sup>me</sup> France Gélinas:** Yes, we have.

**Dr. Andrew McCallum:** Oh, good. Okay. If I might refer to it, Mr. Chair?

**The Chair (Mr. Norm Miller):** Go ahead.

**Dr. Andrew McCallum:** You'll see on the right side that there is a series of companies that are set off. Those are companies that are not controlled by the current board and management of Ornge. They are privately incorporated. The dotted-line relationship of three of the top four is to indicate that they are the bankrupt companies; they were made bankrupt through actions taken last February. The others are subsidiaries and not controlled.

None of these companies, to the best of my knowledge, has assets except for the ones that were put into



bankruptcy, and those are being controlled by the trustee in bankruptcy. We expect to recover some monies from that action. We don't have the authority or the power to wind those up, but because they're bankrupt and have no funds in them, they will eventually simply cease to operate. But we have nothing to do with them in terms of how we control them, and that's one of the conundra that we face—if that's a word. We want to co-operate with the committee and provide you with documents from those companies that aren't controlled by Ornge, but we simply don't have the control or the authority to get them to produce anything.

On the left side, you'll see that there is a series of companies under Ornge, which is the entity that I have the privilege to head. Above that are the Ornge Issuer Trust and the Bare Trustee, which is essentially a holding company. The two companies in the bottom left are the Ornge Foundation and J Smarts, and both of those are in the process of being wound up. It's really a matter of compiling and completing the HST return for that to happen.

Ornge Real Estate and Ornge Global Real Estate are the holders of the lease and the bond on the property at 5310 Explorer Drive. Again, we're making efforts to try to fold those into Ornge itself to reduce the complexity.

I talked earlier about the Ornge Corporate Services—pardon me, Ornge Air. There are a lot of benefits to integrating that company back into the Ornge structure proper that go beyond just the simplification of the corporate structure. We think it would be very good for both the management and the employees if we could do that.

Finally, Ornge Corporate Services has already been transferred to Ornge. So while the entity exists, it has no assets and no employees.

**M<sup>me</sup> France Gélinas:** Coming back to the bonus, the employees went to the federal labour laws because they understood they were—do you figure things would have been different had they gone under provincial laws?

**Dr. Andrew McCallum:** My understanding is that there's a six-month limitation period in provincial law. Had they appealed within six months, as these employees did, there would have been the same result. That appears to have been the legal test that was used.

I can't get into the mind of the adjudicator, but that, I understand, is the analysis that was applied.

**Mr. Jagmeet Singh:** Did the provincial government have any powers that you're aware of or any ability that you're aware of to have prevented the bonuses from being provided? Could the provincial government have intervened in any way?

**Dr. Andrew McCallum:** I wouldn't be able to comment on that. I just don't know.

**M<sup>me</sup> France Gélinas:** While we're talking about money, we also know that your predecessor, Dr. Mazza, seemed to owe Ornge quite a bit of money. Can you talk to us about the process to get that money back to you, as into Ornge?

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**Dr. Andrew McCallum:** Well, as you know—I think you have probably read the papers—as was reported this

morning, we've been able to serve a statement of claim on Dr. Mazza's counsel. That's in process, and I don't think I can speak more about that at the moment, but the sum of money that's being sought is \$500,000 to be returned. There are also assets within the bankrupt structures which we expect we'll receive once the bankruptcy proceedings are completed. So some proportion of \$600,000 will come back.

**M<sup>me</sup> France Gélinas:** And that's the bankrupt agencies—

**Dr. Andrew McCallum:** That's on the right side.

**M<sup>me</sup> France Gélinas:** On the right side.

**Dr. Andrew McCallum:** Correct.

**M<sup>me</sup> France Gélinas:** Okay. So you would be a beneficiary because you filed a statement of claim?

**Dr. Andrew McCallum:** Correct.

**Mr. Jagmeet Singh:** Just quickly, just returning back—sorry to bounce around—to the bonuses, are you aware of how they were calculated in the past and how they will be calculated moving forward?

**Dr. Andrew McCallum:** Yes, I am. The way they were calculated in the past was a major factor in the decision of the HRSDC, and in essence, they were essentially paid out almost universally, 97% of the time. So that was the reason why the feeling was that employees had a reasonable expectation that they would be provided these bonuses. That was the process used in the past. That was the test in the current situation. Going forward, I've said to the board—and we will be making recommendations to the board—that financial solvency would be a key aspect of whether anybody would be awarded any kind of performance pay.

**M<sup>me</sup> France Gélinas:** So you still intend to work with a payment structure where people would not be paid on salary but would be paid a bonus tied to whatever agreement?

**Dr. Andrew McCallum:** We would work with the structure. All these people are on salary, but they would have some of their compensation at risk, depending on the achievement of both personal and corporate goals, with the overarching concept that the attainment of financial solvency for the organization has to be the first order of business.

**Mr. Jagmeet Singh:** And the current structure allows for all of this to be publicly disclosed in terms of the bonuses as well as the salaries?

**Dr. Andrew McCallum:** Absolutely.

**Mr. Jagmeet Singh:** Just turning your mind now to the air ambulance bill, are you aware of the new air ambulance bill?

**Dr. Andrew McCallum:** I am.

**Mr. Jagmeet Singh:** And in terms of some of the changes that have been included, one of them that I'll just read out to you roughly is the government's ability to change the corporate bylaws without notice or consultation. Do you think that these actions are necessary, and what would the impact of this be, positive or negative, in terms of Ornge?



**Dr. Andrew McCallum:** Well, I understand the necessity, given the circumstances that have arisen over the last three or four years. I do think that the ability to respond in a nimble fashion to changing—because there are business aspects to what we do—could be hampered by over-intrusive governance.

We have a board of governors, who I can say—and I am happy to say this in any forum—is second to none in terms of their knowledge of governance and oversight. We have a very strict performance agreement with the ministry, and again, I see that as an appropriate measure in these circumstances. We have committees such as yours who are doing good work by holding us properly to account.

So I think one has to be cautious about being even more—offering even more oversight; that's how I'll say it. But I understand that the Ambulance Act amendments are necessary, given the circumstances.

**M<sup>me</sup> France Gélinas:** Would you say that if the bill passed—once the bill passes, what will change for you?

**Dr. Andrew McCallum:** If I do my job properly, not much.

**M<sup>me</sup> France Gélinas:** Absolutely nothing. Okay.

**Dr. Andrew McCallum:** You know, if we're responsible, accountable, transparent, we can do our job, and I would say that it would be a non-issue for us.

**M<sup>me</sup> France Gélinas:** It would be a non-issue. So whether we pass this bill or not, right now you have a governance that is working for the long-term strategic direction of Ornge, we have new management in place that is fully co-operative with whatever oversight the government needs or wants, so whether we rush through this bill or not, this will continue to be there?

**Dr. Andrew McCallum:** I want the committee to be reassured that we're heading in the right direction. We're not there yet. There was a lot of momentum going in the other direction that had to be stopped. We're moving in the right direction now, and I think that we will be happy to come back in the future and report to you again at some point, hopefully with news that you'll be pleased to receive.

**M<sup>me</sup> France Gélinas:** Okay. Just quickly—sorry, Jagmeet. We've talked about the bankruptcy where Ornge will get its share of the \$600,000. You've talked about serving papers to Dr. Mazza regarding an amount of half a million dollars. Are you pursuing other avenues that could lead to the recouping of money elsewhere for Ornge?

**Dr. Andrew McCallum:** Not at the present time, but it's a constant matter that I turn my attention to. So if there are circumstances that come to my attention where compensation was paid without work being performed, and there's evidence that that's the case, we would certainly take the necessary steps, with appropriate legal advice.

**M<sup>me</sup> France Gélinas:** Okay. Sorry.

**Mr. Jagmeet Singh:** No problem. So, as of now, the oversight mechanism that you talked about, where you're meeting regularly with ministry officials and disclosing

to them the steps you're taking—financial disclosure as well as operations disclosure—that's all going on right now? Is that correct?

**Dr. Andrew McCallum:** It is.

**Mr. Jagmeet Singh:** And in terms of disclosure of salaries, that's all going on right now?

**Dr. Andrew McCallum:** It is, with one important exception—

**Mr. Jagmeet Singh:** Sure. What's that?

**Dr. David McCallum:** —and that is that the current federal organization is incorporated as a for-profit; therefore, the Public Sector Salary Disclosure Act does not apply to it and can't apply to it.

**Mr. Jagmeet Singh:** Are you still asking those folks to disclose their salaries?

**Dr. Andrew McCallum:** Yes.

**Mr. Jagmeet Singh:** And are they still disclosing them?

**Dr. Andrew McCallum:** Well, it's early this year. I don't know what the response is going to be. One of the challenges we have is that—as I hope you can see, I'm committed to being transparent about what we do financially. I think that the equitable thing to do, if our provincially based employees are disclosing, would be to have all our employees disclose, just as it was equitable for all people to receive the performance pay from whatever side of the organization they're on.

**Mr. Jagmeet Singh:** Have you received any opposition to that idea of requiring—

**Dr. Andrew McCallum:** I think there are some people who are a little uncomfortable about their privacy being—as they see it—invaded.

**Mr. Jagmeet Singh:** At the end of the day, will they disclose their salaries, though?

**Dr. Andrew McCallum:** I'll have to come back and tell you. I don't know.

**Mr. Jagmeet Singh:** Okay.

**Dr. David McCallum:** Last year, we had good co-operation, though.

**Mr. Jagmeet Singh:** Last year, you had their co-operation?

**Dr. Andrew McCallum:** We did.

**Mr. Jagmeet Singh:** And those are the folks that are on the for-profit side?

**Dr. Andrew McCallum:** Correct.

**Mr. Jagmeet Singh:** And they did disclose their salaries?

**Dr. David McCallum:** They did.

**Mr. Jagmeet Singh:** And this is all done under the existing performance agreement?

**Dr. Andrew McCallum:** It is.

**Mr. Jagmeet Singh:** As you're well aware, the new bill hasn't been passed yet, so all these steps that have been taken—all this disclosure, all this oversight—has all occurred under the previous performance agreement.

**Dr. Andrew McCallum:** The amended performance agreement?

**Mr. Jagmeet Singh:** Yes, the amended.

**Dr. Andrew McCallum:** Yes. Sorry, just to be clear.



**Mr. Jagmeet Singh:** Yes.

**M<sup>me</sup> France Gélinas:** So, from what you know of—

**The Chair (Mr. Norm Miller):** You have two and a half minutes left.

**M<sup>me</sup> France Gélinas:** Okay, in two and a half minutes: From what you know of the workings of Ornge and from what you know of where Ornge has derailed, can you see how it could happen? Can you point to, “Here’s the flaw in the structure; here’s the flaw in a human being” or “here’s a flaw on oversight,” that allowed something so good to go so bad?

**Dr. Andrew McCallum:** I think that probably the single biggest thing was the loss of focus on the core business of the organization, which is to provide paramedical transport to the residents of Ontario. As soon as the organization moved off that area of focus, things started to go wrong, and the focusing outside—and I think, hopefully, what I can bring to the organization is an unrelenting focus on the public service to Ontario. All of our funding comes from Ontario taxpayers, and that’s where we need to entirely focus ourselves.

**M<sup>me</sup> France Gélinas:** And now you’re making sure that you share with the ministry what your focus is?

**Dr. Andrew McCallum:** Indeed.

**M<sup>me</sup> France Gélinas:** And is the ministry interested?

**Dr. Andrew McCallum:** I would say, they’re more than interested. They’re intensely involved.

**M<sup>me</sup> France Gélinas:** Thank you.

**The Chair (Mr. Norm Miller):** Very well. We’ll move to the government side: Ms. Jaczek.

**Ms. Helena Jaczek:** Thank you, Dr. McCallum, especially for your opening remarks, because you touched on a number of issues that I think are of prime interest to the committee and, I know, certainly to me.

As you were finishing your remarks just now, you made a couple of statements which I was going to open with. Essentially, to me, the provision of air ambulance services in Ontario—the primary responsibility is public safety; in other words, ensuring that patients are looked after in the most timely and effective way possible. Then, of course, we want to ensure that there’s value for the Ontario taxpayer dollar in that those services are provided as efficiently as possible.

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You’re talking about the daily interactions—almost daily—that you are having now with the oversight branch and personnel within the Ministry of Health and Long-Term Care. Can you maybe describe for us how those conversations relate to the performance agreement and to the development of the quality improvement plan? In other words, is the performance agreement something that is a real-time disclosure of events, incidents and issues that are necessary for discussion? I want to get a sense of what these conversations are.

**Dr. Andrew McCallum:** Very much so. It is very much something that we look at every day. The key performance indicators are well known. The seven-day and 30-day key performance indicators are completely understood by our staff. We take a very proactive ap-

proach with the ministry folks to make sure that they’re not surprised. I don’t want anybody to have something pop up that, “Gee, we should’ve known about this, and we don’t.”

My staff are very good at having antennae up and ensuring that the ministry is aware if there’s an issue. In an organization as diverse and broad as ours, across a province as large as Ontario, there are inevitably areas where you say, “We’ve got to do something about that; we’ve got to fix this. We’ve got an aircraft down in the northwest,” or whatever. That sort of thing is now regularly known to the Ministry of Health personnel. They’ve actually been very supportive and assistive with us in making sure that the political arm is aware, so that, again, there’s knowledge that’s transferred back and forth.

The performance agreement is, as I’ve said earlier, a very prescriptive document, we’ll say. I understand why it’s like that, and I can understand that, having been once burned, the folks in the government are saying, “We’re not going to make that mistake again.” We want to be certain that we work efficiently and that we can undertake the business decisions that need to be undertaken so that we can operate this service, so critical to Ontario, in the most efficient and effective manner.

**Ms. Helena Jaczek:** The quality improvement plan that—I get the sense that it’s in development; it isn’t finalized at this point.

**Dr. Andrew McCallum:** That’s right.

**Ms. Helena Jaczek:** Would it relate directly to the Auditor General’s recommendations in some way? Obviously, why we’re here is because of the Auditor General’s report of 2012. Are you looking at those recommendations and constantly checking, “Is this another thing we can put into the quality improvement plan?”

**Dr. Andrew McCallum:** I have a whiteboard in my office that has the recommendations posted on it. I told Mr. McCarter that when he kindly gave me a bit of a briefing as to what I could expect today.

It’s a serious matter. I know because, coming from the coroner’s side, I made recommendations as well—or my staff made recommendations—and I know two things: One is that most people will implement recommendations; we’re keenly interested in implementing recommendations that are made to us, but further, if you look at a recommendation and say, “We can’t do it exactly that way, but we can achieve the intent of the recommendation through an alternate means,” we’ll do that.

Just to give you some sense of it, the performance agreement has been renegotiated; that was in recommendation number 1. We have, I think, got lots of financial accountability in the system now, as we should have, so that has been done. The Excellent Care for All Act, as you know, is the genesis, as you well know, of the QIP.

The QIP that was put in last year was done, I think, with great speed because of the dire situation that had occurred. This year, we want to make it more like the QIPs that come from hospitals so that it better fits with the health care perspective in Ontario. We’re working on that, but the key performance indicators that are in that



plan are still there. We're working hard to deal with some of the areas where there have been shortfalls, like availability of aircraft and crews. We have challenges there, frankly, still. There's a lot of work to be done.

**Ms. Helena Jaczek:** Okay. I want to just take you back to when you were thinking of a potential career change and you were on the Internet and you saw this particular position at Ornge posted. You thought the skill set that you had would match very well. Could you just again outline some of those key components of your past history that you felt would serve you very well in the position of president and CEO of Ornge?

**Dr. Andrew McCallum:** I spent a lot of years working with paramedics. I've actually flown as a paramedic on aircraft. I trained in aviation medicine through the military. I was a flight surgeon to a helicopter squadron when I was in the armed forces. I trained in emergency medicine. I've had increasingly senior positions and leadership roles in both hospitals and government. I own and operate an aircraft myself; I'm a private pilot and have an instrument rating, which has served me in good stead, being around the bases periodically. It's nice to be able to walk into a room and somebody says, "You actually know how an airplane flies." The rotor pilots, not so much; they're not impressed, but the fixed-wing guys, they take note. I did have—I shouldn't say that about the rotor pilots. They're a great bunch.

The fixed-wing: I thought that my skill set was probably quite well suited to it, and frankly, I thought, "Gee, this is obviously an organization that's in very severe straits." And I have been in an organization like that before; I came to the coroner's office after the Goudge inquiry, so I'm not unfamiliar with taking over organizations that have been through difficult times.

**Ms. Helena Jaczek:** I think you were very clear on addressing the potential, possible conflict of interest between your previous position as chief coroner and now here at Ornge. I, personally, am completely satisfied with the way you've alluded to that.

Could you just perhaps—it has been a question here at the committee—explain to us exactly, or to the extent that you know in your previous role as chief coroner, how the expert review panel has been established, the types of terms of reference? We're concerned about the length of time in terms of getting some results from that review.

**Dr. Andrew McCallum:** I do know something about that. I can tell you that Dr. Cass, who has been leading it—and again, as I said, I can't tell you where he's leading it at the moment, but I can tell you that he's been leading it—was working with a regional coroner by the name of Dr. Craig Muir. Dr. Muir is also a pilot and a surgeon, and they engaged two independent experts, both of whom have expertise in aviation and emergency medicine. They're reviewing all of these cases in some detail. You might recall that in December there was an announcement that they would need more time.

My understanding, now that I'm in Ornge, is the reason they need more time is because of the volume of

materials that were required for those investigations to occur. Much as this committee has faced, there were thousands of pages of material that had to be reviewed. I don't know the time frame for completion. Again, you'd have to ask Dr. Cass.

**Ms. Helena Jaczek:** But it's certainly a very thorough review, from what you're hearing?

**Dr. Andrew McCallum:** That's my understanding.

**Ms. Helena Jaczek:** Now to turn it over to my colleague Dr. Qaadri.

**The Chair (Mr. Norm Miller):** Mr. Qaadri?

**Mr. Shafiq Qaadri:** At the outset, Dr. McCallum, I think, perhaps, not only on behalf of the government side, but as well as on behalf of Ontarians, if I might, I think we'd like to commend you and salute you for the inspiration and, hopefully, the leadership that you bring to this, as you've said, burdensome responsibility.

As you highlighted some of your own personal career achievements—flight surgeon, emergency medicine specialist, certificate of the Royal College and chief coroner of Ontario—I can't help observing that perhaps the only step up is flight surgeon on a space shuttle mission, perhaps in the future. I hear that's opening up to Canadians more and more.

I'd also just like to reference—probably more from a personal point of view—the honourable Dr. Dan Cass, a classmate of mine from the University of Toronto, 1988—clearly a good year at the University of Toronto medical school.

Having trained, for example, at a level 3 trauma centre at Sunnybrook Hospital, we were usually on the receiving end of the helicopter flights and the transport. I was wondering if you might share, not only for the benefit of this committee, but also for Ontarians by way of the press—they are well represented in this room—what are the sort of patients that are transported? You've mentioned, for example, trauma, of course, MVAs, motor vehicle accidents. How do they differ, generally, from land ambulance? For example, we've talked about mortality rates, and Mr. Klees mentioned this issue of, as you've said, the material effect of Ornge transport on outcomes. How should we think of that?

**Dr. Andrew McCallum:** First of all, let me just say that the rotor-wing environment is very different than the fixed-wing environment. Fixed-wing aircraft are travelling long distances, usually in the north, often where there are no paved roads, as you heard in my opening remarks.

Rotor-wing is point to point in the south, often from the scene to a helipad directly at a hospital, and rotor-wing emergency medical service is a remarkable and unique feature of the pre-hospital care environment. The commitment and dedication of the pilots who fly these aircraft and their ingenuity and ability to fly in difficult circumstances is really remarkable. The paramedics aboard our aircraft are as highly skilled as any in the world. They have very advanced skills, to the point where they can essentially run a mobile intensive care unit. They can provide, for example, intra-aortic balloon



pulsation to a patient who's got a failing heart, which would not be an ordinary feature of an air ambulance in many parts of the world. They can do all of the manoeuvres that one would expect to see in an ICU.

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To your question, the kind of patient that one would see in the circumstances would be a person who had suffered a motor vehicle collision, was perhaps trapped in the wreckage some 100 miles away from the hospital. That is the perfect kind of situation where a rotor air ambulance can make a very profound difference in that patient's outcome. But to your point, if someone has injuries that are going to be fatal no matter what intervention is offered, then unfortunately, they're beyond help. So the conveyance, the type of people, the interventions that are offered may all be for naught, unfortunately. That does happen. We know that in the trauma world, there is a small group of patients who are so severely injured that even though they have vital signs on first contact, they can't be retrieved.

That's the challenge, sorting out in those dire situations: Is the patient one of those folks who, sadly, is in a very difficult circumstance and not going to survive, or is it someone who is in a very severe circumstance who, with the absolutely optimal treatment, including rapid carriage to the hospital, proper care en route—would they then survive? You can appreciate that there's some subtlety to that; it's a challenge for someone interpreting after the fact to say—right at the margins.

Sometimes, it's obvious. If someone has an injury that's clearly fatal, it's easy. If someone has an injury that's clearly minor, it's easy. It's the ones in the middle that can be quite challenging. I know, myself, having looked at lots of cases not specifically related to Ornge, but after the fact for traumatic injury, it can be very hard to know whether things could have been different even if the care had been provided differently.

**Mr. Shafiq Qaadri:** Just out of curiosity: Motor vehicle accidents, would you say, are the absolute bulk of the transport required?

**Dr. Andrew McCallum:** No. In fact, that's useful information for the committee. Only about 6% of our transports are actually from the scene. So it's a relatively small proportion, but obviously, in the circumstances where it's needed, it can be so highly critical for people.

**Mr. Shafiq Qaadri:** I see. Now, you've made reference to your whiteboard; you've made reference to the posting of the Auditor General's recommendations. You're clearly well aware of the added oversight being brought not only by this committee, but other entities. I was wondering if you might share with us some of the priorities that you see going forward from today and maybe share a couple of examples of how you've attempted to implement those priorities.

**Dr. Andrew McCallum:** I said earlier that obviously, the threefold priorities that we have are—obviously, we have to be physically solvent. I think that's of great interest and concern to this committee. But I do believe that we have the ability within the funding envelope

provided to be efficient enough that we can work and not diminish service and in fact increase service. The way we need to do that is by taming some issues that we have at the moment. We have challenges with empty flight hours, so aircraft having been flown around the province to cover this vast province. We actually only have at any given time four fixed-wing aircraft flying in the north. Then we use, of course, standing-offer carriers—these are private charter companies as well—for the non-urgent-type cases. We must deal with that, and that's an expensive proposition.

The second is that we have overtime costs engendered by, sometimes, I think, avoidable circumstances where we force crews into areas where they—you've heard the term "duty out," meaning they've reached the end of their duty day and can fly no longer, and they have to literally stop where they sit. That is partly Transport Canada and partly collective bargaining agreements, but the point is that we can't work our people forever, and we've got to find ways to more efficiently deploy them to avoid that. I believe there are opportunities there.

*Interjection.*

**Dr. Andrew McCallum:** Time to stop?

**The Chair (Mr. Norm Miller):** No, no. I'm just giving him the time.

**Dr. Andrew McCallum:** Oh, sorry. I believe there are opportunities in that regard.

The second area of major focus is getting the right people aboard the aircraft. We have a shortage of advanced care and critical care paramedics, and that is a complex situation. Part of it has to do with, under the former management, people were hired at the primary care level even though there are advanced care people around. Advanced care matters, because you have a base upon which you can build more quickly to the level of care that we need to have on our aircraft, that mobile ICU-type situation. So we're working with our educators and with our colleagues in other areas like other educational institutions to streamline that and make it happen more quickly. That not only benefits patients by having the right people aboard—and we're not there yet. I'm going to be every candid. We've got work to do there, but once we do it, it makes the dispatching much simpler because all of a sudden the communications people aren't sitting there saying, "Well, who do I send? What kind of a skill set is aboard that aircraft?" That's going to be of great assistance as well.

Third is development of a clear understanding, both within the organization and outside the organization, of the mission profile. The mission profile matters a lot because you might remember that I alluded to that 100-mile-out patient and the benefit of rotor in that situation. If the patient is 250 miles out, the rotor's not so useful because the rotor can cruise at about 140 knots. You want an aircraft that's going to be able to get the patient back more quickly or get the patient traversing the distance. So we have to work with that. There's lots of knowledge about that in emergency medical services systems. We've got the right people in the organization to do it now, but we'll be working hard to fix that as well.



**Mr. Shafiq Qaadri:** Thank you. I'll turn it to Ms. Damerla.

**The Chair (Mr. Norm Miller):** And you have about three minutes.

**Ms. Dipika Damerla:** Thank you so much. I'd like to begin by thanking Ornge on behalf of all Ontarians for recovering half a million from Dr. Mazza and trying to go after another \$600,000.

My question is: You said that the new performance agreement is more prescriptive, and I understand that to mean that it goes into greater detail as to the oversight, but I'm just wondering if you could share some simple examples as to how it differs from the previous performance agreement and why it's making such a difference.

**Dr. Andrew McCallum:** I'm not sure I know the previous performance agreement well enough to give you a really detailed answer, but I can give you one example. In the new performance agreement, if we are going to sell an asset, for example—and we're working on that because we need to optimize our fleet—the Ministry of Health has to approve it. That necessarily requires the involvement of multiple folks, and they've got to make decisions. That does take more time than perhaps a business which is purely functioning on its own would have to take. I think we have to find a fine balance between an appropriate amount of oversight and being nimble enough to conduct business. That's an example of a difference and where we've got to get the right balance.

**Ms. Dipika Damerla:** My other question is, you mentioned earlier that if you did your job right, the new bill is not going to make much of a difference, but my question is, what about somebody who doesn't do their job right? Would the bill make a difference?

**Dr. Andrew McCallum:** That's fair, and I think that's exactly the point. Good fences make good neighbours, and as long as you've got a good neighbour, you don't need a fence. So I do take your point. I was merely referring to my intent to conduct the affairs of the company to the best end.

**Ms. Dipika Damerla:** Thank you.

**The Chair (Mr. Norm Miller):** Very well, and we'll move on to—

**Mr. Shafiq Qaadri:** Mr. Miller, how much time do we have left?

**The Chair (Mr. Norm Miller):** You have a minute left.

**Mr. Shafiq Qaadri:** Quickly. Six per cent, you said, trauma, which is very surprising to me—

**Dr. Andrew McCallum:** Scene calls.

**Mr. Shafiq Qaadri:** Sorry?

**Dr. Andrew McCallum:** Six per cent scene calls, which is tantamount to—

**Mr. Shafiq Qaadri:** So the others are hospital transport?

**Dr. Andrew McCallum:** That's correct.

**Mr. Shafiq Qaadri:** So these are, for example, patients who are in an ICU and so on who are deteriorating?

**Dr. Andrew McCallum:** Not every one of them. There's a proportion of them that are very sick, but we also do non-urgent transfers for repatriation purposes, for people who need to go for routine care. Actually, in the north that's a very common use of the aircraft.

**Mr. Shafiq Qaadri:** I see. Thank you.

**The Chair (Mr. Norm Miller):** Very well. We'll move to the opposition. Mr. Klees, you have nine and a half minutes.

**Mr. Frank Klees:** Thank you. Dr. McCallum, I understand that Transport Canada did an audit in January of this year. Is that correct?

**Dr. Andrew McCallum:** Yes.

**Mr. Frank Klees:** Could you describe the overall findings of that Transport Canada audit team?

**Dr. Andrew McCallum:** I would be happy to do so. I would caution the committee that I'm not an expert on the technicalities of aviation. They did an audit which is part of their routine inspection process of both the rotor and the fixed-wing side, and they made findings—as, from my perspective, I would have expected they would—in a number of areas on both sides. The way they categorized their findings is into minor, moderate, major and critical. There are definitions for them. I don't have them in front of me. I apologize, but I think they're pretty much common language definitions. "Critical" needs to be attended to immediately.

In the case of the rotor operation, there were three critical findings related to safety procedures in the aircraft. I can tell you that in each case they required about an hour per crew to rectify. Before that crew flew again, the findings were rectified.

**Mr. Frank Klees:** So, in that case, there would have been a downtime for that crew. They weren't available for service; is that correct?

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**Dr. Andrew McCallum:** That's right. It was absolutely necessary to ensure flight safety, so there was a downtime of about an hour.

**Mr. Frank Klees:** Was Ornge threatened with a suspension of their operating certificate by Transport Canada as a result of that audit at any time?

**Dr. Andrew McCallum:** No.

**Mr. Frank Klees:** No?

**Dr. Andrew McCallum:** No. But of course, compliance was required.

**Mr. Frank Klees:** Right. Can you provide the committee with the correspondence between Transport Canada and Ornge related to this?

**Dr. Andrew McCallum:** Certainly. I don't have it with me, but I'd be happy to undertake to do that.

**Mr. Frank Klees:** I appreciate that very much.

I'd like to just talk about the staffing. You indicate that your staffing is a work in progress. There was an article; you were quoted—and this relates to Thunder Bay—that you are now staffed up at the Thunder Bay plant. You've hired some additional—

**Dr. Andrew McCallum:** Well, actually, no. If I was quoted, I was misquoted, because we're not actually



staffed up yet. We are in the process of recruiting staff and expect to be staffed up by June, I think.

**Mr. Frank Klees:** And in that same article—maybe you were misquoted again—you indicated that you don't need additional funding, that you're going to do that from within the same funding envelope. You're going to find efficiencies. Is that a correct statement?

**Dr. Andrew McCallum:** It is.

**Mr. Frank Klees:** And what kind of efficiencies? I think you need an additional—was it nine paramedics there?

**Dr. Andrew McCallum:** Yes.

**Mr. Frank Klees:** What kind of efficiencies are you finding?

**Dr. Andrew McCallum:** Well, I alluded to some of them earlier, but I'll just go through them again: obviously, the training program that we're looking at so we can simplify the dispatch circumstance; the management of overtime and duty out by better allocation of aircraft and utilization of crews—a lot of this is coming back to OCC again, isn't it?—and the more efficient use of the maintenance function that we have. We think that there are a number of things that we can do.

It's not like we're coming in and saying, "There's nothing here to cut or to change."

**Mr. Frank Klees:** Okay. There is an aircraft out-of-service report that we used to have access to. In fact, I used to be able to go on the website and access it myself. I'm not able to do that anymore.

**Dr. Andrew McCallum:** I wasn't aware of that.

**Mr. Frank Klees:** Would you be willing to open that up so that we can access that out-of-service report?

**Dr. Andrew McCallum:** I'm certainly predisposed to doing it, but if you'd permit me, I'd just like to consult internally and get back to you—and I will.

**Mr. Frank Klees:** Is there any reason why the committee couldn't be presented or given the—

**Dr. Andrew McCallum:** Off the top of my head, I don't see one. I have no reason not to provide it. But I would like to have the opportunity to consult internally.

**Mr. Frank Klees:** Okay. I'd like to make a formal request that the committee receive that data for a 12-month period—current, if possible. I think it would be great to have that available. There should be no reason why—

**Dr. Andrew McCallum:** I agree with you, as I said, off the top of my head—but I want to make sure I speak to the aviation folks.

I can tell you that the availability of aircraft for the fixed-wing is about 100% right now, and the availability for the rotor-wing is above 85%.

**Mr. Frank Klees:** I'd like to talk budget briefly. You now have a \$2-million hit for these bonuses that you've agreed to pay. Again, you're not asking for an increase in budget from the minister in order to accommodate that?

**Dr. Andrew McCallum:** That's correct.

**Mr. Frank Klees:** So you flatlined your budget from last year, no increase?

**Dr. Andrew McCallum:** Well, I actually don't know that we didn't get an increase, but it's \$152 million, and it's not changing.

**Mr. Frank Klees:** When I had some conversations here with Mr. Feeley about that so-called balanced budget that he was bringing in last year, he admitted that it actually wasn't a balanced budget at all. The reason that he admitted that was that he said that he was actually instructed not to put anything into the budget to deal with the maintenance requirements for the aircraft, which, as a pilot you know better than anyone here, is significant. I understand that at this point, Ornge has probably flown some 8,000 hours on the current AW139 fleet—

**Dr. Andrew McCallum:** That's about right, I think.

**Mr. Frank Klees:** —and will probably fly 3,500 hours per year, from information that I have.

I also understand that what should be set aside through proper accounting is \$1,000 an hour per aircraft for that residual maintenance. These are issues that won't be covered by warranty, but if we're properly keeping our books, then that should be book-kept and should be on reserve and should be calculated into the budget. Mr. Feeley agreed, when we had the conversation here, but he also admitted that he was directed not to put that into the budget because if he did, the budget wouldn't balance. Can I ask you, sir: Are we keeping two sets of books here?

**Dr. Andrew McCallum:** No, we're not keeping two sets of books, and to my knowledge, and having spoken to the CFO, we are conducting ourselves according to generally accepted accounting practices. The specific issue that you raise I am not conversant with, so I don't want to put myself before the committee and suggest that I know the answer to it, but I will find out. But I'm confident that we are keeping the books exactly the way they are supposed to be kept.

**Mr. Frank Klees:** Okay. Well, according to information that we have, the properly accepted accounting principles in the aviation business are that those maintenance costs must be recorded in the budget. So if you could get back to us and confirm, because—

**Dr. Andrew McCallum:** I'd be happy to do that. I also want you to know, to be truthful to the committee, that at the present time we're projecting about a \$2.5-million deficit on the \$152-million budget. You used the term "balanced budget," and I don't want to suggest to the committee that we're there yet. We've got work to do, but we are tracking in a positive direction.

**Mr. Frank Klees:** So you'll have to ask for \$2.5 million.

**Dr. Andrew McCallum:** Well, or carry it forward and deal with it in the next year and manage the budget down.

**Mr. Frank Klees:** Does that \$2.5 million include the \$2 million that you owe for bonuses?

**Dr. Andrew McCallum:** It does.

**Mr. Frank Klees:** Okay.

I'd like to ask about staffing. You indicated that there's a shortage of staffing. Are you looking to offshore labour to fill some of your spots?



**Dr. Andrew McCallum:** No.

**Mr. Frank Klees:** You're sure about that?

**Dr. Andrew McCallum:** Well, to my knowledge. I'll put it that way: to my knowledge, no.

**The Chair (Mr. Norm Miller):** And you have about a minute left.

**Mr. Frank Klees:** Can you please get back to us and just confirm that?

**Dr. Andrew McCallum:** Yes.

**Mr. Frank Klees:** The reason I'm asking this question is that there have been calls from former employees who are making application who can't seem to get through the front door, but they are being advised that others are getting jobs and that Ornge is actually bringing people in from outside of Ontario.

**Dr. Andrew McCallum:** Well, I certainly have no knowledge of that, but I will certainly undertake to find out if in fact there is any truth to that.

**Mr. Frank Klees:** I'd like to ask one other question. I think it would be good for this committee to have an opportunity to visit the Ornge headquarters. Would you be willing to arrange a site visit for us so that we might see what's happening there and, ideally, perhaps have an opportunity to speak with some of the front-line people?

**Dr. Andrew McCallum:** I would be more than willing. You'd be welcome.

**Mr. Frank Klees:** Okay.

**Dr. Andrew McCallum:** And if you wish, I would also be willing to arrange for you to see the Toronto base, which is quite close. I think it's worth visiting if members of the committee are interested.

**Mr. Frank Klees:** I think it would be very beneficial, and I think—

**Dr. Andrew McCallum:** And to speak to front-line people.

**Mr. Frank Klees:** Yes.

**Dr. Andrew McCallum:** For sure.

**Mr. Frank Klees:** Great. I think that would be very helpful. It's one thing for us to have a technical conversation here. I think for us to hear directly from employees what's happening on the front lines and what is good and what still perhaps needs to be addressed—

**Dr. Andrew McCallum:** I agree completely. I don't think you're going to go in and hear everybody say it's all sweetness and light. There are always issues and there are always going to be issues, but I want to make certain that we're moving in the right direction.

**Mr. Frank Klees:** Thank you very much.

**The Chair (Mr. Norm Miller):** We'll move on to the NDP, and you have six minutes.

**M<sup>me</sup> France G  linas:** Thank you.

You have mentioned in your opening statement that you now have a whistle-blower policy. Are you familiar with it?

**Dr. Andrew McCallum:** Yes.

**M<sup>me</sup> France G  linas:** How does it work?

**Dr. Andrew McCallum:** An employee can go to an independent website and seek to advise the independent entity that monitors these statements or concerns that are

raised. If that occurs, then those are drawn, anonymously, to the attention of the management at Ornge and we're required to respond. It would also be available to third parties such as yourselves, I think, who would be interested in finding out the truth of the matter.

**M<sup>me</sup> France G  linas:** So who gets that email?

**Dr. Andrew McCallum:** I would get it. Also, the independent—the board would get it as well. There's a notification. So as I understand it—I don't have an in-depth understanding, but as I understand it, the notification goes to Grant Thornton, which is the independent group that deals with it.

**Mr. Jagmeet Singh:** Is there a provision that if someone went directly to the ministry or directly to an MPP and made a complaint, anonymously or otherwise, would that also be covered in terms of protection for that person?

**Dr. Andrew McCallum:** Yes, absolutely.

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**M<sup>me</sup> France G  linas:** Because in the bill that's in front of the House right now, the bill calls for the whistle-blower—that anybody at Ornge could call an inspector. Do you have any idea what they're talking about?

**Dr. Andrew McCallum:** As I understand it, the minister has the power to appoint a special investigator to look into concerns that are raised. There are investigators now, appointed by the ministry, who are looking into concerns raised about Ornge, and I don't know whether they'd be one and the same or there would be some new person appointed to deal with a whistle-blower incident.

**M<sup>me</sup> France G  linas:** Okay. But they exist right now, because you have supervisors—you have inspectors in place. But on an ongoing basis, there shouldn't be inspectors at Ornge, should there?

**Dr. Andrew McCallum:** If things are functioning properly, correct.

**M<sup>me</sup> France G  linas:** When life goes back to normal.

**Dr. Andrew McCallum:** One hopes.

**M<sup>me</sup> France G  linas:** Go ahead.

**Mr. Jagmeet Singh:** One of the issues that we, as the NDP, raised was that in the proposed bill that's coming forward, the air ambulance bill, there wasn't any inclusion of oversight by the Ombudsman, should the Ombudsman see the need to oversee or to investigate anything. Your opinion on that, on allowing the Ombudsman to have access to overseeing Ornge if there ever arises a need?

**Dr. Andrew McCallum:** As I've said, I think that there's a lot of oversight available already. From my standpoint, I don't worry about any further oversight, except that it does lead to the potential for even more fettering or—not “fettering”; that's not the right word. It makes the process more bureaucratic. I think there are protections that are available.

I have great respect for the Ombudsman. I think the work that's done through the Ombudsman's office is very valuable. I've worked a lot with them in my former role.



**Mr. Jagmeet Singh:** You wouldn't see any reason to preclude him or his office from having access to Ornge—

**Dr. Andrew McCallum:** As I said, I think any time one undertakes a well-intentioned act, one has to think about the unintentional consequences.

**M<sup>me</sup> France Gélinas:** I come from northern Ontario. For somebody in northern Ontario who is not happy with your service—you do try your best to do good work, but sometimes it derails. Families tend to call the Ombudsman. He is known. Your internal complaint and issue process is not known to people in northern Ontario; the Ombudsman's 1-800 number is. So those people, if something derails, if they're not happy, if they have issues, they will call the Ombudsman.

I live in northern Ontario. I deal with people who have had issues with your organization. I wouldn't know who to call, and neither do they.

**Dr. Andrew McCallum:** I think we'd have to accept the wisdom of the Legislature on this matter. Certainly, we'll work with whatever regime is determined to be the best.

**M<sup>me</sup> France Gélinas:** Okay. So you respect the work of the Ombudsman—

**Dr. Andrew McCallum:** I do.

**M<sup>me</sup> France Gélinas:** —and if he was to take in complaints for your agency, if there are complaints in the future, you would deal with that?

**Dr. Andrew McCallum:** As I said, whatever regime is determined by the Legislature, we would of course work with it and respect it.

**M<sup>me</sup> France Gélinas:** Okay. Right now, if somebody has a complaint, how does it work?

**Dr. Andrew McCallum:** We have a patient advocate who they can contact and whose name is on the website. They would deal directly with her. I can tell you that she's a strong advocate for the folks who raise issues with us. She would deal with the affected individuals and ensure that the matter is properly dealt with.

There are a number of other agencies that can be contacted: of course, the Ministry of Health; MPPs; the coroner, in the sad circumstance where someone has passed away.

I think there are a number of mechanisms that are available. I take your point that it may not be easily understood by someone as to what their options are, but I believe that there are options.

**Mr. Jagmeet Singh:** Asking you to use your lens now, as someone who's overseeing—I mean, who's running Ornge at this point, would you be able to, in hindsight, look back into Ornge and—in your opinion now, as someone who's now the CEO of Ornge, where do you think Ornge went wrong? What mistakes did they make, and what were some of the telltale signs, in hindsight, that you would pick out as being a major problem?

**Dr. Andrew McCallum:** I can only echo what I said before, which is that they became very diffused and looking, in my estimation, at areas of work that were outside what would properly be the focus of a large

public sector entity. I think that that was really where things went awry. I think there was a lot of vision; there was a lot of intent to make things better and bigger than they were. But at the same time, there was perhaps the lack of focus on the fundamental core of why we exist.

**The Chair (Mr. Norm Miller):** Thank you very much. Your time is up.

We'll move to the government, and you have five minutes. Ms. Jaczek?

**Ms. Helena Jaczek:** Thank you. Dr. McCallum, would you agree at this point in time that restoring public confidence in Ornge is a key priority in your role?

**Dr. Andrew McCallum:** It is absolutely essential, from my perspective.

**Ms. Helena Jaczek:** We've had some conversation on the amendments to the Ambulance Act, Bill 11. Do you think that Bill 11 will go, in some measure, to restore public confidence in Ornge?

**Dr. Andrew McCallum:** I believe that it will.

**Ms. Helena Jaczek:** Thank you.

Just in regard to some of the documents that have been requested of Ornge—Mr. Klees made reference to them—could you perhaps elaborate a little bit on the challenges in terms of responding to these requests?

**Dr. Andrew McCallum:** Certainly. As I replied in my letter, which went out this morning and I've got in front of me somewhere, many of the documents are documents that we don't have immediately under our control but can obtain, but it takes time, and I'm referring specifically to banking documents.

The second issue is just the volume. There's an opportunity challenge for us in that it requires a lot of staff time to get these documents together. It's my earnest hope that they'll be valuable to the committee in the performance of its duties.

Those are really the two things I want to draw your attention to, and it's the reason why, while we'll certainly undertake to make every effort to comply, it'll take us a bit longer than the time that was specified in the original request.

**Ms. Helena Jaczek:** Can you give us any sense of the volume? Do you have any idea of the numbers of documents—

**Dr. Andrew McCallum:** Hundreds of thousands of pages.

**Ms. Helena Jaczek:** Hundreds of thousands?

**Dr. Andrew McCallum:** That's what I'm told by my staff.

**Ms. Helena Jaczek:** Thank you.

**The Chair (Mr. Norm Miller):** Ms. Damerla?

**Ms. Dipika Damerla:** I just had a quick question. I'm very intrigued by your comments around the fact that the rotor-wing planes are more short distance and used probably more in southern Ontario, and it's the fixed-wing that can do the longer haul, I guess, that's required in the north.

**Dr. Andrew McCallum:** Correct.

**Ms. Dipika Damerla:** The reason I'm asking is that I know that Madame Gélinas had raised some concerns



around the fact that perhaps planes that were meant for the north were being used in the south. I'm just curious: Given the very different nature of the planes that operate in the north and south, would that be happening?

**Dr. Andrew McCallum:** No—short answer. We have fixed-wing aircraft in the north, and as I mentioned at the outset, the northern environment is very different.

In fact, we have an esteemed visitor from the Royal Flying Doctor Service here meeting this week with us. We're exchanging ideas, and we've had a very useful interchange. I've been struck by how similar the Western Australia environment is to northern Ontario—a different climate extreme, but remote; many indigenous and First Nations communities in both; vast, inhospitable terrain; and on and on it goes. It's remarkably similar. They fly exactly the same aircraft we fly in the north: the PC-12. I think we've got a great aircraft for the north.

We're more like a European context in the south—like Germany, for example. We've got multiple rotor bases in the south, and I include Sudbury because it's the near north. Thunder Bay has a rotor base as well—has elements that make it more like an urbanized area.

One of the challenges I put to my staff was to determine, "Have we got our aircraft based in the right places so that we can maximally serve the population?" We need to look at all those things. I'm not interested at all in diminishing service, but I am interested in optimizing service, and part of it is looking at where those aircraft are situated.

**Ms. Dipika Damerla:** So it would be fair to say that resources aren't being disproportionately used by one region at the expense of another—

**Dr. Andrew McCallum:** No.

**Ms. Dipika Damerla:** —in part because of the very different nature of the planes?

**Dr. Andrew McCallum:** Correct. Well, I think you could, but paradoxically—and I say this—I want it to be interpreted correctly—60% of our flights are north of Sudbury, and 60% of our population is certainly not north of Sudbury. We know that in the north the challenges of health status are significantly different. That's why it's happening the way it is, and it's happening because of the geographic challenges as well.

**Ms. Dipika Damerla:** Thank you so much. I really appreciate you coming today. You were extraordinarily eloquent and very enlightening. Thank you so much.

**Dr. Andrew McCallum:** My pleasure.

**The Chair (Mr. Norm Miller):** Thank you for coming before the committee today, Dr. McCallum; we appreciate it.

**Dr. Andrew McCallum:** My pleasure.

#### ONTARIO PROVINCIAL POLICE

**The Chair (Mr. Norm Miller):** Our next witness is Ontario Provincial Police Commissioner Chris Lewis.

**Mr. Chris Lewis:** I'm going to sit in a chair, if I could, Mr. Chair, that is of normal height.

**The Chair (Mr. Norm Miller):** Welcome, Commissioner Lewis.

**Mr. Chris Lewis:** Thank you very much.

**The Chair (Mr. Norm Miller):** Just to confirm: You've received the letter for someone testifying before the committee?

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**Mr. Chris Lewis:** That's correct.

**The Chair (Mr. Norm Miller):** I understand you'll swear an oath, and our Clerk will do that. There's a Bible there.

**The Clerk of the Committee (Mr. William Short):** Commissioner Lewis, do you solemnly swear that the evidence you shall give to this committee touching the subject of the present enquiry shall be the truth, the whole truth and nothing but the truth, so help you God?

**Mr. Chris Lewis:** So help me God.

**The Clerk of the Committee (Mr. William Short):** Thank you.

**The Chair (Mr. Norm Miller):** Thank you. You have 10 minutes for an opening statement, if you'd like to make one, and then we'll split the rest of the time evenly amongst the three parties.

**Mr. Chris Lewis:** Great. Thank you very much, Mr. Chair.

Mr. Chairperson and committee members, it is my pleasure to appear before you today. Thank you for the opportunity to inform the committee members about the progress of the OPP's ongoing investigation into the Ornge air ambulance service.

I know you will appreciate that I cannot discuss the specifics of any evidence collected to date. To do so would potentially prejudice the prosecution of any offences that may result from this investigation, which I'm certain none of us, or the public that we collectively serve, would want to see. This investigative privilege has long been recognized by the courts. There's a significant public interest in preserving the integrity of a criminal investigation and ensuring persons committing offences are ultimately held accountable for their actions.

As well, it is critical that evidence heard publicly in this forum does not in any way taint potential interviews with subjects, or the levels of their cooperation in what remains an ongoing and incomplete investigation.

I fully accept that such privileges may well be applied differently in committees of this nature than they would be in criminal court proceedings. I also understand that judicious and diligent consideration would be required by this committee in terms of any such privilege.

Let me start by bringing you up to date on the OPP's ongoing investigation into the Ornge air ambulance service.

On February 16, 2012, the Ministry of Health and Long-Term Care requested an investigation, based on reports by company insiders, of financial improprieties by management of the Ornge conglomerate. If government representatives have reason to believe that a criminal offence has occurred, they file a complaint and the OPP may initiate an investigation. I can confirm that



the OPP commenced an investigation under the direction of a detective inspector from our criminal investigation branch. This major case manager is heading up a team of investigators from the OPP's anti-rackets branch's corruption unit, which includes a forensic chartered accountant. Additional investigators from the anti-rackets branch are supplementing this team as required.

Support staff from our evidence management unit have been utilized to manage and process documents seized for review. Investigators have followed up on tips and information received from current and former employees of the Ornge organization. OPP investigators have conducted interviews with more than 50 people during the course of this investigation.

I can advise you that investigators have travelled throughout Ontario and outside of Canada to conduct some of these interviews and to collect documentary and electronic evidence. The investigative team has been in communication with members of United States law enforcement agencies and has been assisted by these officials. These interviews have provided a history of the air ambulance service in Ontario from pre-2006 to present time, with a view to understanding the culture and workings of Ornge in the recent past.

Investigators met with and secured the cooperation of Mr. Ron McKerlie, interim chief executive officer of Ornge, who provided signed consent for a review of documents and communications belonging to Ornge. Mr. McKerlie also authorized OPP investigators to speak with the law firm providing corporate counsel to Ornge. This co-operation extended by Mr. McKerlie has continued since Dr. Andrew McCallum's recent appointment as CEO of Ornge.

Investigators have gathered over 22,000 pages of documents and more than 500,000 email communications. They're examining these exhibits for items of evidentiary value. This analysis is a lengthy and complex process, but a thorough review of these exhibits is essential for a proper and complete investigation.

I can tell you that the analysis conducted by investigators has provided the following:

- an understanding of the corporate structure and evolution of Ornge, a private company;
- an awareness of the performance agreement and reporting structure between Ornge and the Ministry of Health and Long-Term Care; and
- insight into the relationships between Ornge and vendors of aircraft.

The investigation into activities at Ornge continues.

I can also tell you that the OPP is devoting the necessary resources to conduct a complete and thorough investigation into the allegations. I cannot predict with certainty, however, when the investigation will be finished or whether charges will be laid. Investigations of this nature are involved, lengthy and take time to properly complete.

The OPP investigates financial crime and corruption offences in OPP and municipal police jurisdictions across the province of Ontario. Much of this work is done

through the anti-rackets branch, which was formed in 1960 and is part of the OPP's criminal investigation services. The anti-rackets branch consists of police investigators, civilian staff and forensic accountants. The criminal-investigative expertise of these teams is often utilized throughout the province in OPP and municipal jurisdictions.

Anti-rackets branch members investigate fraud and corruption schemes that are multi-jurisdictional, complex and highly organized in nature. These cases are often multifaceted, and their offences are frequently not easily recognizable. They require dedication and a diverse skill set to bring them to successful conclusions. Co-operative partnerships between police, legal experts and forensic accountants are essential.

The complexity of these cases drives the time required to complete the investigations. Although a properly completed financial crime investigation may seem lengthy to some, it is absolutely necessary to invest the time to thoroughly analyze the information gathered if the true nature of the allegation and the actions of the involved individuals are to be revealed. In my experience, it is not unusual for such complex investigations to take multiple years to complete.

In other aspects of our operations, the OPP is pleased to work closely with all of our partners in emergency response, such as municipal police services, fire and ambulance. To provide the best possible emergency response system for Ontario, we need an air ambulance service that is effective and efficient. We support your efforts to study the workings of Ornge air ambulance service and improve it for the benefit of all.

Thank you for this opportunity to speak with you today. I would be pleased to answer any questions you may have in regard to my comments and the progress of this ongoing investigation. As I noted at the outset, however, the disclosure of the specifics of any evidence gathered to date will potentially compromise the integrity of the investigation and prejudice the prosecution of any offences rising therefrom.

Thank you.

**The Chair (Mr. Norm Miller):** Thank you, Commissioner, for that opening statement. I know members will want to be sensitive to the ongoing investigation; the last thing the committee would want to do would be to negatively affect your investigation.

We'll start with the NDP. You have 17 minutes.

**M<sup>me</sup> France G  linas:** Absolutely. I have no intention of trying to get information that could do any damage of any kind to any people, so if I do ask a question and you feel that I'm going somewhere I shouldn't, let me know and I'll be quite happy to change direction.

**Mr. Chris Lewis:** Thank you, ma'am.

**M<sup>me</sup> France G  linas:** One of the main reasons I was looking forward to talking to you is because the one-year anniversary has gone by. People feel that when you don't hear anything, is it because nothing is going on? Is it because they've done their work, there is nothing to lay charges on, and they've moved on and forgot to tell us?



Let's say that we do all of this and there is no need to lay charges. How would you tell us that and when would you tell us that?

**Mr. Chris Lewis:** As I said, I can't predict when the end of the investigation will come. We have to follow the evidence; sometimes when you conduct an interview or look at a document, that adds to your list of work to be done. Just preparing for interviews sometimes takes weeks, let alone actually conducting an interview, given legal rights, access to counsel and all of those things.

At the same time, I really appreciate the concern of the public—or the members present—as to the length of time these things take. I've seen complex, multi-million-dollar fraud investigations take seven years before charges were laid. I've seen a number that took years to investigate and no charges were ever laid; when it went to a crown attorney, the crown said there was just no reasonable prospect of conviction or grounds to lay a charge.

Having said that, at some point we will either reach the point where we will lay charges and will subsequently announce that through a press release and put those matters before the courts or, given that the Ministry of Health and Long-Term Care asked us to conduct this investigation, we will write some report to them—if, in fact, there are no charges—saying what we can in terms of what our findings were.

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**M<sup>me</sup> France Gélinas:** Would that correspondence back to the ministry be public record or is it something that is privileged to the ministry?

**Mr. Chris Lewis:** I think it would be privileged to the ministry. How that goes from there would be up to the ministry. Of course, there's always freedom-of-information requests and things of that nature. It wouldn't be us trying to hide anything from anybody, but they are the complainant and potentially the victims, if, in fact, a criminal offence occurred. So we would leave it to them to make that decision in terms of the further distribution.

**M<sup>me</sup> France Gélinas:** As those investigations progress, is there any milestone as to, "Okay, we have talked to all of our witnesses. We have finished reviewing the paper evidence"? I'm making this up because I have no idea how you do those things. Are there any steps or milestone that you can say, "Here's what's on our work plan and here's what's done that we know of"—understanding that a work plan could change—"and here's what's left to do."? Is this something that makes sense?

**Mr. Chris Lewis:** I'm not aware of any specific milestones other than the facts and figures that I spoke of today, ma'am. I know that the case manager himself, who is a detective-inspector and a former full-time fraud investigator who now oversees a variety of complex cases, including homicide investigations—it's up to him, in the case management model that we operate under in this province, to determine the pace, the flow and the direction of the investigation, which could change at the drop of a hat. Just given my own experience in investiga-

tions, you interview witness A, and subsequently you've got 50 witnesses and a whole different direction to go in.

Just to put it into context, as commissioner of the OPP, some might wonder, "Well, why don't you know this stuff?" I deliberately don't know this stuff. We have investigators that work at the pace that they require to work at, given that they're specifically trained and chosen to do that stuff. If they have a roadblock or need something they will go to their bosses who may keep me in the loop, depending on the nature of the problem or the resources required, or travel out of the country and things like that. But I don't ask questions that might make them think that I want the investigation to go a specific way. I deliberately don't ask questions of an evidentiary value, that I may suddenly know information that I could inadvertently release in a media interview. You know, someone says, "How is it going?" and I slip and say something I can't take back. That may prejudice the investigation and hurt the subsequent criminal court process.

So, I don't want to know details, whether it be a complex investigation like this; we have many high-profile—not as high-profile as this, given the nature of this, but multi-million-dollar fraud investigations on the go at any given time as well as numerous homicide investigations into organized crime and the like. Number one, I don't have time to know all of that stuff. Number two, I don't want to interfere, nor do I want to know information that I can inadvertently release.

So, I don't know specifically of the milestones. I know very high-level facts, as I gave them to you here today.

**M<sup>me</sup> France Gélinas:** Okay. If the investigation, either through the pace, flow or direction, needed to work with another level of policing, either through the RCMP or through another jurisdiction as in another country etc., is this something they do on their own or is this something that somebody like you has to know of?

**Mr. Chris Lewis:** No, they do that on their own. To deal with the police agencies in other countries, we go by agreement. We go through the RCMP because they have contacts in all those countries and often have liaison officers that are deployed to those countries other than the United States, who we routinely deal with as law enforcement agencies, back and forth. I do know that the investigators have dealt with American law enforcement agencies on this. I don't know which agencies—federal, local or state in that case—but I know there is ongoing communication. There has been some travel to the United States; I don't know where.

**M<sup>me</sup> France Gélinas:** Okay. My colleague has—

**Mr. Jagmeet Singh:** Thank you. In terms of this investigation, it was initiated by the Ministry of Health's request to you, or was there any independent desire to investigate it on behalf of the OPP?

**Mr. Chris Lewis:** No, the deputy minister of the Ministry of Health and Long-Term Care, Saad Rafi, called me personally on February 16, 2012. Subsequently, at my request, he followed that up with a letter that he sent to



me right away, and I replied to say we had assigned a detective-inspector to investigate this—that simple.

**Mr. Jagmeet Singh:** Okay. Obviously each fraud case, each investigation generally, has a different timeline. Is there any sense of what the timeline is in this case in terms of when you'll be in a position to know one way or another whether charges will be laid?

**Mr. Chris Lewis:** I can't put an end date on it, but I am confident that within a year, we'll know whether or not there would be criminal charges laid.

**Mr. Jagmeet Singh:** Okay.

**M<sup>me</sup> France Gélinas:** So 12 months from now?

**Mr. Chris Lewis:** Yes.

**M<sup>me</sup> France Gélinas:** Okay.

**Mr. Chris Lewis:** I am confident within that time period; it may be sooner, and it could be later, but around that time period, really, at the longest. I can't say, "Without a doubt, by this date we'll have an answer," because as I say, we follow the evidence, and we don't know where the evidence may lead us. And then, where does the evidence lead us, and what is our ability, through proper judicial means, to get access to documents? Getting documents from Ornge is simple: We don't have to have search warrants, because we have the approval of the victim in this case, that reported this, to get those documents. But if it's complex, in another country, and we need search warrants, then that becomes sometimes months in the making to actually put a search warrant together.

**Mr. Jagmeet Singh:** Has there been any investigation or any liaison with folks from anywhere else besides the United States?

**Mr. Chris Lewis:** The only other place I know that they've had liaison with and have not travelled to personally at this time is Italy.

**Mr. Jagmeet Singh:** And in terms of the number of officers involved in this case, are you able to estimate how many officers are working on it?

**Mr. Chris Lewis:** It varies, the officers, civilians and accountants, from time to time, depending on what they're actually doing, so I don't know a specific number. That's up to the detective-inspector, and if he feels he needs more, to progress at a different rate—based on, you can only do so much at a time. You can only have so many people to conduct interviews. It's not like you could put hundreds of people on it and everybody run willy-nilly. It has to be very focused, and he has to determine the pace of that.

He is comfortable that he has the right number of resources to deal with that. At times, he brings more in, given whatever he's doing on a specific day or in a specific week.

**Mr. Jagmeet Singh:** Sure. To date, there has been no arrest made?

**Mr. Chris Lewis:** There has not. There have been no charges laid.

**M<sup>me</sup> France Gélinas:** So I understand the process: If it comes to something, you will lay charges. But do you also work what I would call proactively in making

recommendations as to how you prevent this from happening again to this victim or another one?

**Mr. Chris Lewis:** We're in a bit of a bind if charges are laid. Then it has to go through the court process first. We'd be happy to then share any information with the Ministry of Health that we think maybe there was a loophole or something that ultimately may have prevented this. I'm not aware of any of that at this point. But just hypothetically speaking, yes, if there aren't charges, then by all means, if we see things that maybe could have been tightened up, we would routinely do that.

Just for example, if someone broke into your home tonight—God forbid—and we didn't find out who did it, we'd still tell you, "You should have locked this door," or, "You should maybe have an alarm on that window," those sorts of things. Really, part of what we do as police entities is to try and prevent further crimes from occurring. So by all means, we would do all we could to help.

**M<sup>me</sup> France Gélinas:** Okay. So if, in a year or so from now, we hear from you, it could be we hear from you to say that you have gotten back to the Ministry of Health, and I'm guessing, in that getting back to the Ministry of Health, we would have some suggestions as to, "Here's why we could not have laid charges, and here's how you could protect yourself from this happening again." Or it could be a public release that says, "We have laid charges X and Y against people X and Y."

**Mr. Chris Lewis:** A and B—yes, whatever. Yes, by all means. That makes total sense.

**M<sup>me</sup> France Gélinas:** Okay. Could there be other endings than those two?

**Mr. Chris Lewis:** Charges or no charges? Other endings? I can't think of any off the top of my head.

**M<sup>me</sup> France Gélinas:** So that is the way those things go?

**Mr. Chris Lewis:** Generally, that's the way it goes. I mean, when there are deaths, there are inquests. There are civil suits that occur that are beyond us. Inquests are mandatory things in certain circumstances, or the coroner can call them any time.

There are no deaths linked to this in any way that I am aware of, so maybe civil suits could occur. I'd just be guessing as to what might happen—but nothing from our perspective, short of initiating a criminal court process by laying of charges.

**M<sup>me</sup> France Gélinas:** Okay. You will see by my questioning that I know nothing about what you do. Sometimes you hear that a case has not been prosecuted because there was some kind of time limit attached to the crime that was committed. People get charged but then everything gets dropped, and you end up not being very satisfied with the legislative process. In that kind of investigation, in the anti-racket branch, are there such deadlines that exist?

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**Mr. Chris Lewis:** No, not for this type of thing. Those sorts of things are simple assaults and other things



that—because they're summary conviction offences; there are different levels of offences in the Criminal Code. They have to be laid within six months. With this sort of thing, that's not the case.

The other thing that you may be speaking of is that sometimes in court, when people are charged, their attorneys apply to the judge to say, "This has dragged on too long before the trial occurred." Maybe there were 15 appearances over a three-year period and there has been no trial, and they've successfully argued to have everything thrown out. I think it's called an Askov application, which was a case that occurred to someone, and that set the precedent for the future. Sometimes that may be the fault of a police agency that hasn't got the information to the crown attorneys in time, but, generally speaking, when we lay the charge, we know we have to be ready to go in this day and age, so that shouldn't happen very often. Hopefully it's not going to happen in this case, if charges are laid.

**The Chair (Mr. Norm Miller):** You have four minutes left.

**M<sup>me</sup> France G  linas:** We're going to save our four minutes.

**The Chair (Mr. Norm Miller):** Very well. We'll move to the government. Ms. Jaczek?

**Ms. Helena Jaczek:** Yes. Thank you very much, Commissioner Lewis, for coming in today.

**Mr. Chris Lewis:** My pleasure.

**Ms. Helena Jaczek:** Obviously, as you've heard from my colleague France G  linas, none of us want to jeopardize any ongoing investigation in any way. That basically goes without saying.

I think you've been very forthcoming to the extent that you can, in terms of reassuring us as to the way the OPP is conducting this investigation. So, if I can just sort of understand the process thoroughly—once the request came in from the Ministry of Health, an officer was assigned from the investigations group.

**Mr. Chris Lewis:** Yes; a detective-inspector.

**Ms. Helena Jaczek:** A detective-inspector. Then, that individual, after some preliminary assessment, gets the sense of what type of personnel he may need for that investigation and then proceeds.

**Mr. Chris Lewis:** That's correct.

**Ms. Helena Jaczek:** I'm presuming, to the best of your knowledge, that there haven't been any roadblocks in terms of insufficient personnel or unavailable personnel—that, as far as you know, everything is being conducted in a timely way, and in accordance—

**Mr. Chris Lewis:** That's correct. Given that, and I don't know this for a fact—in, of course, an organization of our size, with many priorities, to try and balance the resources out, there may be times that he needed a specific person that wasn't available because of court or whatever. But in terms of the number of resources he has, I am not aware of any requests on his part to get more. Should he ask for more, depending on what he wants and from where, that could be a problem, because we certainly have homicide investigations and many, many things

on the go. Although this is big and it's very newsworthy and a concern, obviously, to government as a whole, we have people dying out there and other serious things that we have to respond to immediately. So we don't always have the people to respond to everything we'd like to at once. That's just the reality. That's not a complaint on my part at all; just to kind of put it into context for you.

**Ms. Helena Jaczek:** I perfectly understand. I guess for us, as lay people, as a committee, it seemed to us that things were taking a long time. So I think you've put that very well in perspective.

You yourself—we've been given a little bit of a bio. I believe you were involved—you were commander of the investigation bureau?

**Mr. Chris Lewis:** I was. I was a detective-inspector at one time, and a number of other roles within investigations. I was the superintendent in charge of the detective-inspectors, and I was the chief superintendent in charge of that area as well. So I have a very good understanding of the processes, albeit a little dated. There are days I wish I was out doing that work instead of what I do. But, yes, I have a good understanding of what happens in there.

You don't gather an entourage for no reason and have them sitting around not ready to do anything. You get the right number of people, and if you need more, you ask for them and you get them, knowing that you're in charge of figuring out how this should proceed, step by step. It's like a big chess game: figuring out what's next.

**Ms. Helena Jaczek:** That's much appreciated. So in all those years of experience when you were involved in investigations, how often were you involved with a government process? Have you ever heard of a previous commissioner of the OPP appearing in front of a government committee? Can you give us sort of a sense of the relationship with government through the years that you've had?

**Mr. Chris Lewis:** I reported to all three main political parties in this province, and the Solicitor Generals, and briefed the Solicitor Generals from all parties at different times, from Mr. Christopherson and Mr. Runciman and others. We, as an organization, are very apolitical; obviously, we have to be, regardless of what our own political leanings may or may not be. I have, myself, appeared before a committee in this very building, to look at the smuggling-of-tobacco issues back in the 1990s under the NDP government of the day. I'm sure commissioners have. I'm not aware of that occurring, but there were times in my career that I didn't even know really what a commissioner was, let alone what they did on a daily basis. But I don't recall that in recent years.

I have appeared before committees of the federal government looking at legislative change and things like that, but never when there was an ongoing investigation at the same time.

**Ms. Helena Jaczek:** Okay, so I guess that's where I'm moving towards. When there is an ongoing investigation, this issue of not endangering the investigation—



ference: How do you see that line? How do you describe that?

**Mr. Chris Lewis:** It's challenging for us to testify at a committee like this because of that concern that we're going to do something to taint other witnesses in some way: maybe let something out that some other witness shouldn't even know, and then they're subsequently giving a statement and you say, "Well, how do you know that? You shouldn't even know that, because only the person that did this crime"—just to use that generic example—"would know those details that the police have held back." "Well, because I heard them when I watched the committee," or, "My friend was there," or, "I testified myself before I was even interviewed by the police." So they're challenging for us. We do what we have to do, and we'll make it all work.

In terms of the relationship with government: Through a variety of things in my career in almost 35 years, there have been allegations where a government has made us do this or forced us to not do that. That has never occurred with me, and I don't know if it has ever occurred with any commissioner since I've been an executive member of the OPP. In fact, I've sat in on briefings of Solicitor Generals where they're specifically told, "You can't even so much as ask questions of what's going on in the case, because that may show some bias or put pressure on the police." And I wouldn't tolerate that, if it occurred. I'd go to the deputy minister, who ultimately is a government employee and would deal with that. It's not an issue. It hasn't happened with any party at any time, to my knowledge.

**Ms. Helena Jaczek:** Certainly on behalf of the government, obviously, we want to maintain police independence—

**Mr. Chris Lewis:** And let me thank you for it.

**Ms. Helena Jaczek:** And that's exactly the way it should be.

Perhaps you could give us a little bit more information about the risks to the investigation. We sort of have a general sense of that, but could you sort of elaborate a little bit more?

**Mr. Chris Lewis:** Well, there are certain things that, as investigators, we go into interviews knowing. We would expect the person being interviewed may or may not know certain things. If those things have come out in a public forum, that could taint their evidence. Does their memory then recollect that something happened on a certain day because they did it, or they saw it, or someone told them about it, or did they hear about it through this venue? That's always a concern. There's always hold-back evidence, we call it, that we just don't give to everybody because only certain people should know it. And if someone suddenly does, then that's an issue; that's a flag for us. How did they find it out? Those are concerns.

I'll be very frank: I don't know a name or a date or a location, but I know of at least one witness who was being co-operative with our investigators who did appear in this room and has since not been as co-operative.

Everything has to go through a lawyer now, whereas before it was a little bit more conciliatory. And that's the process. I'm not disrespecting that process at all, but those are some of the challenges that come out for us.

Potential jurors hear things and then become biased. That either hurts selecting a proper jury pool or ultimately can be a defence ploy to try and have cases retried and on appeal because the jurors obviously heard that on TV, and all those sorts of things that might happen. It's a different world that we live in now. That was never a concern before CNN and 24-hour media coverage and social media. But that world has changed, so it's tougher for us to keep a lid on things and not tip our hand in terms of what evidence we have or don't have, as the case may be.

**Ms. Helena Jaczek:** Thank you. Does anyone—

**The Chair (Mr. Norm Miller):** Ms. Damerla?

**Ms. Dipika Damerla:** Thank you, Commissioner Lewis, for coming here. I think all of us have acknowledged the tricky path you have here, answering as much as you can without jeopardizing the investigations. You've given us examples, as well, of how things could go wrong if you gave too much information, so I think we all respect that.

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Just coming to the Ornge investigation, what is your role as the commissioner in this investigation?

**Mr. Chris Lewis:** In this investigation? I really don't have a role. I'm the leader of the organization, but the deputy commissioner is in charge of investigations. We have four specific silos in the OPP. One of them is investigations—organized crime; drug enforcement and the like; fraud. He oversees that. He has 27 of these detective-inspectors and a pile of other ranks that are leading investigations across this province as we speak: some fresh murders, some suspicious deaths, and on and on. He himself would only know certain pieces, because he doesn't have time to know all the details. So if they need help, they need more, or there's a problem, or there's about to be an arrest, or we need to put in a briefing note on something that has gone on—maybe we've arrested, in one case in eastern Ontario some years ago, a member of government for something. You start making notifications only for the purpose of notifying, not for interference or looking for advice.

He would oversee all of that. He would determine what he thinks I need to know. I have the option, of course, as the boss, of asking questions, but I deliberately don't, because I've been in those roles where bosses have asked me questions; I thought, "I don't want to tell you this." He tells me what I need to know, and on this case specifically there really has been nothing that I've needed to know. I've asked him a couple of times, "How's it going?", and that's it. "Everything's going fine. Things are moving along. A lot of documents to go through. A lot of emails to go through." That's all the generic information that I've been privy to. Nor have I been asked by any elected officials before today what is going on, how it's going—not my minister, not any other minister, no member of Parliament, provincial or federal.



I'm that kind of narrow part of the hourglass. Some people above would maybe like to know more, although they haven't asked. The people below me know more and more, the further down the hourglass you go.

**Ms. Dipika Damerla:** You alluded to the fact that politicians haven't asked you how the investigation—

**Mr. Chris Lewis:** They have not.

**Ms. Dipika Damerla:** And that is as it should be?

**Mr. Chris Lewis:** That is as it should be. One of the issues that our Solicitor General or Minister of Community Safety and Correctional Services is told in those initial briefings—and I've been at several of them—is that even asking questions might make police officers feel they have to go in a certain direction. For example, "Have you interviewed so and so yet?" Oh, are you saying I should be, or are you saying I shouldn't be? Or, "Why haven't you done this yet?" Well, is that pressure to do that? Maybe that's not the way we want to go with this. We report up on things at times, just out of courtesy, because it's newsworthy, it's in the media anyway—the highway was blocked off and we let people know that that's occurred—but they don't say, "When are you going to open it up?" or, "Why haven't you opened it up yet?"

**Ms. Dipika Damerla:** In terms of the public interest, because this is an issue that's reported on in the papers all the time—

**The Chair (Mr. Norm Miller):** Ms. Damerla, could you speak more into the mike, please, for Hansard?

**Ms. Dipika Damerla:** Maybe I can just move this here. Just in the public interest, I wanted to know: As difficult as it is for you to give us details, what assurances can you give Ontarians that the OPP is taking this matter very seriously in the Ornge investigation, that you're moving as fast as you're able to?

**Mr. Chris Lewis:** Well, you have my assurance as the commissioner of the OPP. That is our role in everything we do. Some things don't progress as quickly as others, depending on the public interest and particularly public safety. If we had another multiple murder in this province tomorrow, maybe all these investigators would be out on it too, and this would be pushed on the back burner for the time being. That would frustrate people who want to see this move forward, but that's just the nature of the beast and that's what we have to do, because the public safety aspect always takes priority over the financial issues. This potentially is a serious crime and if, in fact, a crime occurred, given the type of dollars that we've heard in the media—I don't even know myself what the details are. But once again, that's not necessarily a priority for us, depending on what else happens out there today or tomorrow or the day after.

**Ms. Dipika Damerla:** Fair enough. Given that context, is it unusual that an investigation of this time has taken as long—it's about a year now. Would that be pretty normal for an investigation of this time?

**Mr. Chris Lewis:** That's very normal. I know of multiple million-dollar frauds that have gone on for seven years before charges were laid. I know a number

that have been four or five years before charges were laid, and that's just in my recent memory. So what has happened over the years since we formed the anti-fraud area of the organization in 1960, I have no idea.

**Ms. Dipika Damerla:** Thank you. I don't have any more questions.

**Mr. Chris Lewis:** Thank you.

**Ms. Helena Jacek:** We'll save the time, whatever it is.

**The Chair (Mr. Norm Miller):** Very well. Thank you.

We'll move to the opposition: Mr. Klees.

**Mr. Frank Klees:** Commissioner, I take all the blame for having you here today. When I made the request, it was not with a view to interfering in anything that is going on. We know how sensitive that is. But what I did think was important is that we as a committee and really, equally as important, the public understand that this is a serious investigation.

I was very interested to hear what the resources were that were assigned to this investigation. I was interested to know, particularly given the information that we have about what is happening in other jurisdictions—Italy, India—the fact that a senior executive with the holding company of AgustaWestland was in fact arrested, charged with bribery in a deal that had to do, ironically, with the sale of 12 helicopters. The pattern of behaviour is something that I think we all are taken with—the fact that Mr. Orsi himself was very much part of the transaction that Ornge engaged in with AgustaWestland when he was head of AgustaWestland.

Your statement that you gave to the committee really encompassed everything that I had by way of questions for you. It's encouraging to know that you are deploying the resources, that you are engaging the international efforts as well. I understand the Mutual Legal Assistance Treaty is available to us, and I'm assuming that that is the authority under which you've engaged with Italy and probably the United States as well.

Can you just comment on that treaty, and perhaps give us an explanation of how that works and what the obligations and co-operative mechanisms are under that arrangement?

**Mr. Chris Lewis:** I certainly could, Mr. Klees. The MLAT, Mutual Legal Assistance Treaty, is managed through the federal Department of Justice. All of our detective-inspectors, including the individual assigned to lead this investigation, are trained in that, and they have presentations done for them by the Department of Justice to understand how it all works.

I don't know this for a fact, but I would assume, as you have, that that actually has been in place and they would be dealing with crown attorneys from the federal Department of Justice in Ottawa. I believe there are a couple in Toronto as well; I used to know them all by name at one time myself. But I would assume that that's being dealt with. I would also assume that in the case of Italy—which is, as I said, the only other country other than the US that I'm aware of that they have spoken to—



the RCMP would be engaged in that, given that in Rome they have specifically a liaison officer assigned there to help bridge the gap with law enforcement agencies.

I'm very comfortable that all of that would be occurring. I just don't know that as a fact. But as commissioner, I'm pretty comfortable.

The individual who was picked to run this case was picked not only because he's an inspector in our criminal investigation branch; he has a fraud background, and we knew when we assigned this individual to the case that this would be done right. He was the right individual to assign, given his background—very professional and worked in drug enforcement. He probably dealt with MLATs many times in his career as a result of those cases.

**Mr. Frank Klees:** We, as you know, have had extensive hearings here. You are now our 59th witness. A number of those witnesses brought, I think, some very critical information to the table, particularly focused on one particular transaction that involved some \$6.7 million of, as has been characterized, “kickback” because of key people within the organization who characterized the flow of funds around that contract as not having value—characterized in a number of different ways. The interesting thing for us as a committee as we heard that testimony is that—while of course, as in most of these things, there is contradictory testimony that we hear, there was, in the end, an admittance on the part of really three key witnesses that there were reasons to believe that that transaction was highly questionable.

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I understand that the definition of “organized crime” is a very narrow one. If, in fact, for example—please correct me if I'm wrong, but my understanding is that if you have as few as three people within an organization conspiring to misappropriate funds, that is actually defined as organized crime. Am I correct in that?

**Mr. Chris Lewis:** By definition, you are very close. It is three or more people, and there has to be financial gain, which obviously is why most crimes occur. You described it as a narrow definition; I almost see it as too broad of a definition. A previous boss said to me one time that, really, three people in a boat coming across from Michigan with a case of beer is almost organized crime, if you look at it that way. So is it narrow or is it too broad? I don't know, but you're really very close to what the definition is.

I spent a number of years in the Criminal Intelligence Service Ontario looking at organized crime. We never looked at organized crime groups of three people; it was always large organizations.

In terms of your comments about the size, the six-point-whatever million dollars etc., I don't even know those details myself—obviously, you do better than I. But I can say as commissioner that if, in fact, there was a multi-million-dollar kickback in any way and that can be proven, this is the team that can prove that, and we'll put that before the courts and lay charges accordingly—if, in fact, that's what occurred.

**Mr. Frank Klees:** That's encouraging. Would I assume correctly that your team or the team that is actually charged with this investigation would certainly avail themselves of the proceedings of this committee and would be following the testimony of the people as we hear them and would be following up on that?

**Mr. Chris Lewis:** I would assume so. If I was running that investigation, that would be the case. We don't let the media really control our investigation, but certainly they would want to know if names were coming up there that hadn't come up in some other way and that sort of thing.

Ultimately, when they interview people now who have testified before this committee, they're going to want to know what they said to this committee. There are pros and cons to that, but at the same time, our folks would be following this, yes.

**Mr. Frank Klees:** And we, of course, would not want anyone to rely on the media reporting on this. That's why we have Hansard available: to ensure that the facts are correct.

**Mr. Chris Lewis:** And I am not being critical of my friends in the media.

**Mr. Frank Klees:** Mr. Ferguson here—I got his attention.

With regard to that: As I mentioned before, quite contradictory evidence has flown through these walls here. Is perjury—perjury is a criminal offence.

**Mr. Chris Lewis:** It is.

**Mr. Frank Klees:** How can I put this? I'm just asking a question that—as these proceedings are being observed and where there is evidence of perjury as it relates to the issue that's being investigated, would that be one of the charges that would be considered laying against whoever would be guilty of that offence?

**Mr. Chris Lewis:** This investigation is focusing on the allegations around Ornge. If, in fact, something arose through these proceedings that suggested someone had committed perjury, we would make sure that was properly investigated and charges were laid. That is not the mandate of the group that we have in place. They have their hands full doing what they're doing, but certainly there would not be a blind eye to that. If I testified here today and subsequently said something that the investigators felt was an outright lie, and I testified under oath, then they would be obligated to make sure that was properly investigated. Whether it be Toronto police given the jurisdiction or whether we would do it, it would be a separate group of people, because those folks are focused on what they do. But we would never let that occur without taking action.

**Mr. Frank Klees:** Did I understand you to say earlier that, given what you know about the scope of this investigation, you feel that it might be 12 months or so before there would be a decision about whether to lay charges, give and take a month here and there?

**Mr. Chris Lewis:** That's correct, yes.

**Mr. Frank Klees:** Okay.

**Mr. Chris Lewis:** I'm confident that within a year we'll know whether or not we're laying charges.



**Mr. Frank Klees:** Okay. Chair, I'll defer. Thank you.

**Mr. Chris Lewis:** Thank you.

**The Chair (Mr. Norm Miller):** Thank you. We'll move to the NDP, and you have four minutes.

**M<sup>me</sup> France G  linas:** Okay. Here again, if I go someplace I'm not supposed to—

**Mr. Chris Lewis:** I'll be happy to tell you.

**M<sup>me</sup> France G  linas:** Sounds good; sounds good.

It was reassuring to hear you say things such as that if there has been misappropriation of funds, if there have been kickbacks, you feel that you have the right team in place to be able to figure this out. If that happens, then there are charges, I take it, that will be laid if the case is strong enough. Who would decide to ask for money back?

**Mr. Chris Lewis:** The court can order that. If it's not ordered by the court—some restitution of some sort. Just look at a hypothetical case where someone is defrauded of \$500. The court has the ability to order restitution when the person is convicted—if they are. The other option is a civil hearing and going after someone civilly to recoup the money.

**M<sup>me</sup> France G  linas:** So then that's an independent court action that is taken.

**Mr. Chris Lewis:** A separate process, yes; a civil court process.

**M<sup>me</sup> France G  linas:** In your opening comments, you shared with us things like 50 interviews, 22,000 pages, 500,000 emails—

**Mr. Chris Lewis:** In excess of 500,000, yes.

**M<sup>me</sup> France G  linas:** I don't envy them; I have my own cases. But you did say something after this that says, "We want to better understand the corporate structure and the evolution." My, this is something I'd like to understand also.

At some point, are those findings ever going to be available? I still have doubts that we've got this right, really, the convoluted corporate structure that was developed. Every now and again we hear of new Ornge this and Ornge that, that I think are related.

**Mr. Chris Lewis:** I believe—and, really, a follow-up to your earlier question, I suppose—that if in fact it goes to court, there will be a lot of evidence called in court, and one of those things will be to develop, I'm sure, a structure and a routing and how things flowed and who did what and what decision-making occurred and when and by who. I'm only assuming that; it just makes sense in this type of case. And if it doesn't, then there will be a report written. What mechanisms would be in place for the Ministry of Health to further disseminate that? What freedom-of-information requests might be put forward? Or perhaps our ministry themselves will say, "Do you have any concern with putting this out publicly?" I don't know, so I can't really predict that.

But it would just make common sense to me, in my position, that some of the things you speak of shouldn't be things that are controversial to release at some point. It's just doing it in a legal way, because with names and identities and all those things, there's always a concern

on the freedom-of-information front, personal information. So those will be decisions to make down the road.

The first thing is to find out, "Are we laying charges, and, if so, against who?" and laying those charges and getting that before the courts.

**M<sup>me</sup> France G  linas:** Given that this is going to be my last minute and you're almost done, are you disappointed that we asked you to come?

**Mr. Chris Lewis:** Not at all. I was asked to come; I was never summonsed. I was asked if I would come, and I felt that it was important for me to come and let you know what I could and also reassure you and, of course, the public at large that we're doing our best and that we'll get to the bottom of this, one way or another. We have the right people in place to do that. I'm very confident in the team that we have in place.

**M<sup>me</sup> France G  linas:** I can tell you that you were very reassuring to me. So for people who ask me from now on, "How come it's been a year and we haven't heard anything?", I would feel very confident saying, "I heard from the OPP commissioner, Mr. Lewis, himself, and I feel confident that it's going as good as it can."

**Mr. Chris Lewis:** Great. Thank you.

**M<sup>me</sup> France G  linas:** Thank you.

**The Chair (Mr. Norm Miller):** Very well. Thank you, and we'll move to the government for their last three minutes. Go ahead, Ms. Jaczek.

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**Ms. Helena Jaczek:** I won't even take that. I really just want to thank you, Commissioner Lewis, and just summarize. You personally have no role in the investigation. The OPP is taking the investigation seriously. It's appropriately resourced. The length of time it has taken to date is not unusual. In fact, you're confident that we should know within 12 months whether charges are to be laid or not.

**Mr. Chris Lewis:** That's correct. I never say that the OPP is any better than any other police organization, but I also say we're second to none. Criminal investigation has been our forte for many, many years. Long before the OPP was formed, the provincial government had investigators; that's what started us. I know our people will do the right thing here, and they'll get it done properly and get it before the courts if, in fact, the grounds are there.

**Ms. Helena Jaczek:** You have been very reassuring. Thank you.

**Mr. Chris Lewis:** Thank you.

**The Chair (Mr. Norm Miller):** Thank you, Ms. Jaczek.

Mr. Klees, you have six minutes.

**Mr. Frank Klees:** Commissioner, would you admit that the OPP just is not the same without Cam Woolley?

**Mr. Chris Lewis:** Well, you know, Cam and I started together in 1978—the same class. He showed up in a Bentley, and I drove up in an old rusty Toyota.

**Mr. Frank Klees:** And he's still driving the Bentley.

**Mr. Chris Lewis:** He's still driving the Bentley, yes.

**Mr. Frank Klees:** I want to thank you as well for the reassurance. We'll obviously be watching very carefully.

I think people of this province just want to know that justice is done at the end, especially with this file, where precious health care dollars have been so obviously wasted. I think that it's important that a signal is sent that people who abuse the public trust know that there will be consequences.

Frankly, at this point, as a committee, we do what we can on the legislative side. The reason we're doing what we're doing as a committee is that we want to put in place a structure that will prevent certain things from happening and repeating again.

Your investigation is a very critical component of sending a signal to people who would take what may be a good intention and abuse it. So we look to you.

**Mr. Chris Lewis:** Thank you.

**Mr. Frank Klees:** I am going to take another minute because I have you here. I'd like to just ask you about the overall resources that you have available to you to get the job done in this province.

Here's what prompts this: I have a constituent who brought a very clear, open-and-shut case of fraud to my attention. It happens to be a mortgage fraud. It actually is being investigated as well by the FBI because there's a US connection. He took his brief to the local police, who advised him, "This isn't our responsibility," and referred him to the OPP. He met with the OPP, who reviewed his documents and said, "Well, this isn't really what we do," and referred him to the RCMP. The RCMP looked at his information and said, "Well, this isn't really what we do." He came back to me and he said, "Where do I go from here?"

I spoke with an RCMP officer, who told me that one of the reasons that this isn't being taken seriously is because it's not a multi-million-dollar fraud and because of the lack of resources. Circumstances like this just simply are not being pursued.

Can you tell me: As commissioner, do you feel that you have the resources in this province to get the job done on behalf of the people of this province?

**Mr. Chris Lewis:** Very interesting question. I may get this on TV tonight on my little TV show on CP24, too; I often do.

I would say: Most of the time, we do. I would say that there are other times in the OPP—and I'm not being critical of anyone, but given revenue issues in municipalities, and the province is in a deficit, there are times that we have to make do with what we have, and we don't have enough. We have to prioritize, and some things we cannot do; some things we have to do less of.

As time goes on, other things emerge that we have to start doing, whether it be e-crime or the sexual exploitation of children. Those are things we never predicted would come. We have to put resources in to do those things, and something has to fall off the table.

We're actually going through an exercise right now in the OPP to look at what we do, and there may be some things we won't do. We may not drive 50 miles down a gravel road anymore just to look in the back of a pickup truck and confirm what the man said when he called: "You're right. There's no chainsaw on the back of the truck anymore." We always did that because we're the OPP. We wanted to do that and we're proud of doing that. We can't do all those things anymore.

There are times we struggle and we've had to ask other agencies to help us when, traditionally, it has always been the other way around. But at the same time, I get that. It's just the reality of the fiscal situation. There are police agencies in the United States that are way worse off than us. So there are days I'm happy with what we do have and there are days I wish we had more, but we have to make do with the reality.

**Mr. Frank Klees:** Thank you.

**The Chair (Mr. Norm Miller):** Thank you, Commissioner Lewis, for coming before the committee today. We appreciate it.

**Mr. Chris Lewis:** Thank you, Mr. Chair. My pleasure. Good afternoon.

**The Chair (Mr. Norm Miller):** For committee members, we do have the packages with the USB keys from the ministries of finance and health right behind me here. There's one for each caucus. If you could collect it, that would be great.

Otherwise, we are adjourned.

*The committee adjourned at 1456.*



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ISSN 1180-4327

## Legislative Assembly of Ontario

Second Session, 40<sup>th</sup> Parliament

## - Assemblée législative de l'Ontario

Deuxième session, 40<sup>e</sup> législature

# Official Report of Debates (Hansard)

Wednesday 27 March 2013

# Journal des débats (Hansard)

Mercredi 27 mars 2013

## Standing Committee on Public Accounts

Special report, Auditor General:  
Ornge Air Ambulance and  
Related Services

## Comité permanent des comptes publics

Rapport spécial, vérificateur  
général : Services d'ambulance  
aérienne et services connexes  
d'Ornge



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## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES  
COMPTES PUBLICS

Wednesday 27 March 2013

Mercredi 27 mars 2013

*The committee met at 1235 in room 151, following a closed session.*

SPECIAL REPORT, AUDITOR GENERAL:  
ORNGE AIR AMBULANCE AND RELATED  
SERVICES

**The Chair (Mr. Norm Miller):** I'd like to call this meeting to order. Before we get going with our first witness, just note that the parties have picked from the auditor's report for this year.

Note that the PC Party selected from the 2011 auditor's report section 3.03, "Electricity Sector—Renewable Energy Initiatives," and section 4.14, "Unfunded Liability of the Workplace Safety and Insurance Board."

The NDP has picked, from the 2012 auditor's report, section 3.08, "Long-term-care Home Placement Process," and section 3.09, "Metrolinx—Regional Transportation Planning."

The government has selected, from the 2012 auditor's report, section 3.05, "Education of Aboriginal Students," and section 3.12, "University Undergraduate Teaching Quality."

I note that the Clerk will be sending out letters towards the end of April, advising the affected agencies and ministries and letting them know that at some point we will know the timing on this.

## ORNGE

**The Chair (Mr. Norm Miller):** I would like to now call our first witness of this afternoon: Mr. Robert Giguere, chief operating officer of Ornge. Mr. Giguere, welcome.

Just to confirm that you've received a letter for a witness coming before the committee.

**Mr. Robert Giguere:** Yes.

**The Chair (Mr. Norm Miller):** Very well. I think our Clerk is looking for the oath or affirmation, which as soon as he finds we'll do.

**Mr. Robert Giguere:** If you prefer, I can do an affirmation.

**The Chair (Mr. Norm Miller):** Just give us a second, please, Mr. Giguere. We just need to—

**The Clerk of the Committee (Mr. William Short):** So you have the Bible there, Mr. Giguere?

**Mr. Robert Giguere:** Yes, I do.

**The Clerk of the Committee (Mr. William Short):** Do you solemnly swear that the evidence you shall give to this committee touching the subject to the present inquiry shall be the truth, the whole truth and nothing but the truth, so help you God?

**Mr. Robert Giguere:** I do.

**The Clerk of the Committee (Mr. William Short):** Thank you.

**The Chair (Mr. Norm Miller):** Thank you. You have 10 minutes for an opening statement, if you'd like to make that. Then we'll go to the parties for questions.

**Mr. Robert Giguere:** Thank you. Good afternoon. My name is Rob Giguere and I'm the chief operating officer at Ornge. I appreciate the opportunity to appear before you today, and I'd like to take a few moments to introduce myself, tell you a little bit about my background, what I bring to Ornge, my role at the organization and what we're trying to do to accomplish and to improve services for Ontario's patients.

To begin with, I'd like to say how tremendously satisfying it is for me to work and be part of an organization that carries about such an important mission. Our mission is to ensure that critically ill or injured Ontarians are transported safely to the care they need, whether it's by air or it's by land. I take extremely seriously the responsibility of ensuring this process, making sure it's carried out effectively and professionally on a day-to-day basis.

I'm fortunate to be able to draw upon four decades of experience in the field of aviation, much of which was spent managing large, complex organizations. I completed my bachelor of science in mechanical engineering at the University of Manitoba and began my career as a pilot with Air Canada in 1974. Over the years at the airline, I held a number of senior leadership positions, including executive vice-president of operations and senior vice-president of flight operations. Following that, I was chief operating officer and later held the position of chief executive officer at Skyservice Airlines.

I've held and hold both an airline transport pilot and a flight engineer's licence. I've also held a number of voluntary roles within the industry as a board member, committee chair and representative with the Air Transport Association of Canada, as an operations council member with the International Air Transport Association, and as an operations council member and the former chair of the Air Transport Association, based in Washington, DC.



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I joined Ornge last year on a contract basis as a special adviser to aviation. In the following months, I worked with other members of the transition team to begin the process of rebuilding the organization. From April to December, I functioned as an observer and an adviser, identifying shortcomings and offering advice on revamping Ornge's processes to improve the service. This included providing recommendations on the redrawing of Ornge's organizational structure to strengthen internal accountability measures, as well as the consolidation of scheduling to ensure better coverage at our bases across the province. Much was accomplished during this time to fix the immediate problems that existed and to get the organization onto a more solid footing.

In December of last year, I was honoured to have accepted a permanent position as chief operating officer. This position now has the responsibility for overseeing three divisions within Ornge: operations, including our front-line paramedics; aviation, including our front-line pilots and aircraft maintenance engineers; and our operations control centre, including the communications officers who dispatch our crews and our resources. I am also the accountable executive for Transport Canada, meaning that I am the person held accountable for ensuring compliance with the Canadian air regulations.

In sum, I am here to support the work of Dr. Andrew McCallum as the chief executive officer, as well as our board of directors, by carrying out the vision they set forward for air ambulance in Ontario and to support the front-line work that happens across Ontario 24 hours a day and seven days a week.

As chief operating officer, I have three priorities that fall within my area of responsibility. The first is safety, and I assure you it's a top priority in all aspects of the operation, from the bases to our head office. This means ensuring the safety of our vehicles—that is, helicopters, airplanes and land ambulances—as well as the safety of our staff members and, of course, the patients on board.

My second priority is effectiveness; that is, ensuring that we have the right resources, the right staff and the right tools to deliver on our mandate as defined by the Ministry of Health and Long-Term Care.

Finally, my third priority is efficiency. We have a responsibility to make wise decisions to ensure good value for tax dollars, given our 24/7 operating environment.

While I'm excited to help out putting these priorities in place, we can't do it alone, nor can Ornge put forward the necessary changes without the collaboration of others. That's why we'll be working closely with our partners, such as the ministry, emergency medical services across the province, the LHINs and the hospitals, so that all of our external stakeholders understand and support what we are doing to improve our service for the benefit of patients in Ontario.

One of the most significant aspects of my job is ensuring that all sides of the organization are functioning as a team and moving forward to support Ornge's focus

on patient care. As I've explained, Ornge has many divisions within it, including operations, fixed-wing and helicopter aviation, dispatch and flight following, the medical and clinical side, and education. While each group is undoubtedly committed to the overall mission of providing top-notch patient care, bringing these diverse units together to work towards a common goal can sometimes be a difficult task. In the past, these divisions reported to separate chief operating officers, and that meant that work was often done in isolation. As a consequence, some silos were created. We're working hard to change that culture.

Much like many of the business units I've led over the course of my career, the air ambulance system in Ontario is extremely complex. We function in a challenging operating environment where the demands of the health care system are heavy and often unpredictable. For these reasons, changes don't come easily or quickly, but I'm happy to say we've made considerable progress on dealing with a host of issues. There are a number of projects under way at Ornge to address many of the top issues the organization is facing, particularly in the areas of staffing, training and dispatch. We've opened up new lines of communication for our people to voice their concerns and practical suggestions.

Overall, I recognize that for Ornge to build the public trust, we need to ensure that we have the vehicles available with qualified staff trained at the appropriate level of care. Simply put, we need to be there when our patients need us. We've come a long way in making sure that we are. While we still have work to do, I have no doubt that we are on the right track for success. We have a top-notch board, an excellent executive team, and senior managers who are committed and focused on making improvements. Of course we have our front-line staff and support staff, whose commitments to the patients have been nothing short of remarkable.

In closing, I want to say what a privilege it is to take on my role as Ornge continues to turn the page on the past and move forward improving the organization. We all share a common goal of seeing the province's air ambulance system transform into something Ontarians can take pride in. I'm happy to be a part of it and to try and make it happen. Thank you.

**The Chair (Mr. Norm Miller):** Thank you for that opening statement. We'll begin with the opposition. It looks like each of the parties will have 20 minutes. Mr. Klees?

**Mr. Frank Klees:** Thank you, Mr. Chair. Mr. Giguere, what is your relationship with Mr. Ron McKerlie, professionally or personally?

**Mr. Robert Giguere:** With Mr. McKerlie?

**Mr. Frank Klees:** Yes.

**Mr. Robert Giguere:** I first met Mr. McKerlie when he contacted me last year in the spring expressing an interest, being aware of my background, in whether or not I'd be interested in helping out Ornge. On a personal basis, I have no relationship with Mr. McKerlie.



**Mr. Frank Klees:** Okay. Do you know why Mr. McKerlie contacted you specifically? Was there a search that was undertaken?

**Mr. Robert Giguere:** Not that I'm aware of. I'm quite well known within aviation circles in both Canada and Ontario, and I believe that he was provided my CV by someone and then reached out to me to meet with me and speak to me.

**Mr. Frank Klees:** Okay. Do you know or did you know anyone else who had been involved with Ornge in the past, any of the key people there—senior executives, advisers to Ornge? Did you have personal relationships with anyone who had that previous involvement with Ornge?

**Mr. Robert Giguere:** I didn't know any of the executives of Ornge. Being in the aviation industry, I knew people on the aviation side. In fact, some of the, I wouldn't say, senior leaders, but some of the people who had worked at Skyservice had moved over to Ornge, so I was aware of people within the organization, yes.

**Mr. Frank Klees:** Okay. So, there might have been some suggestion internally to Mr. McKerlie that you may be someone who they should contact. Is that reasonable to assume?

**Mr. Robert Giguere:** I can't say that for sure. Mr. McKerlie would be aware of that.

**Mr. Frank Klees:** Since you arrived and since you took on your role as, I believe, initially, an adviser and then subsequently a permanent position, have you at any time met with the Minister of Health to provide a briefing to her in terms of the status of the operation of Ornge?

**Mr. Robert Giguere:** The Minister of Health—and I'm not quite sure of the exact date, Mr. Klees. I believe it was the end of January in Thunder Bay. The minister was in Thunder Bay, and we gave her a tour of our facilities there and some exposure to our operation in Thunder Bay.

**Mr. Frank Klees:** Did you ever receive a call from the minister or her staff to say, "Now that you're there, you're the chief operating officer. We would like to schedule a meeting with you so that you can report to the minister on the operations of the organization"?

**Mr. Robert Giguere:** From the minister's office particularly? I don't believe I received any calls. My reporting relationship through the Ministry of Health is to Richard Jackson, whom we're in contact with and I'm in contact with frequently. I report to him on the activities of Ornge. He is, you are aware, the director of air ambulance oversight.

**Mr. Frank Klees:** I understand that your previous experience was with Air Canada. Can you tell us what your position was with Air Canada?

**Mr. Robert Giguere:** During the course of my career or at the end my career?

**Mr. Frank Klees:** At the end of your career.

**Mr. Robert Giguere:** At the end of my career, I was the executive vice-president of operations.

**Mr. Frank Klees:** And how long did you hold that?

**Mr. Robert Giguere:** I held that for about five years.

**Mr. Frank Klees:** Five years?

**Mr. Robert Giguere:** Just under five years.

**Mr. Frank Klees:** I understand that Air Canada filed for bankruptcy protection in 2003. Is that correct?

**Mr. Robert Giguere:** Yes.

**Mr. Frank Klees:** And at that time, you were the chief operating officer?

**Mr. Robert Giguere:** EVP of operations.

**Mr. Frank Klees:** And who took over your role when you were terminated by Air Canada?

**Mr. Robert Giguere:** My role was split into two. A gentleman by the name of Rob Reid took over one part of a portfolio, and a gentleman named Steve Smith took over the other part.

**Mr. Frank Klees:** Would there have been a reason why you were replaced rather than being looked to to provide leadership during that difficult time of Air Canada's financial difficulties?

**Mr. Robert Giguere:** I can't say that there was or wasn't.

**Mr. Frank Klees:** But you were not asked to do that?

**Mr. Robert Giguere:** Not asked to? I'm sorry—

**Mr. Frank Klees:** To stay with Air Canada and to bring it back out of its financial stress.

**Mr. Robert Giguere:** That's correct.

**Mr. Frank Klees:** Where did you go from there?

**Mr. Robert Giguere:** I went to Skyservice Airlines.

**Mr. Frank Klees:** Okay. When you were hired at Skyservice, was that immediately following your termination with Air Canada?

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**Mr. Robert Giguere:** It was late in July 2004.

**Mr. Frank Klees:** And your position there?

**Mr. Robert Giguere:** Chief operating officer.

**Mr. Frank Klees:** I understand that as chief operating officer you played a key role in structuring a deal that ultimately involved the sale of a majority interest in Skyservice Airlines to Gibralt Capital Corporation of BC. Is that correct?

**Mr. Robert Giguere:** Correct.

**Mr. Frank Klees:** And that sale occurred some three years after you took on your responsibilities with Skyservice. Is that right?

**Mr. Robert Giguere:** That would be correct: just over three years.

**Mr. Frank Klees:** That deal was, I believe, characterized as a leveraged buyout—in other words, a structure that involved leveraging the assets of Skyservice through some significant debt. As a result of leveraging the assets of Skyservice, that really facilitated the buyout. Is that a fair characterization of that transaction?

**Mr. Robert Giguere:** The financial structure was one arranged by Gibralt Capital, yes, and they put debt on the balance sheet of the airline when they bought it.

**Mr. Frank Klees:** Who headed up Gibralt Capital?

**Mr. Robert Giguere:** Mr. Belzberg.

**Mr. Frank Klees:** And he's a financier in BC?

**Mr. Robert Giguere:** Yes.



**Mr. Frank Klees:** Did you know him personally before you went to Skyservice?

**Mr. Robert Giguere:** No.

**Mr. Frank Klees:** But you were dealing directly with Mr. Belzberg.

**Mr. Robert Giguere:** At which point?

**Mr. Frank Klees:** During the course of the deal being structured and ultimately—

**Mr. Robert Giguere:** I was not. I met with Mr. Belzberg. The owners of Skyservice Airlines had gone out to sell the airline, a division of their company.

**Mr. Frank Klees:** So Mr. Belzberg purchased, invested, took a majority control, I believe, through that deal?

**Mr. Robert Giguere:** My first meeting with Mr. Belzberg was when a presentation was made to him. During the course of the transaction, my exposure to him was somewhat limited. Following the purchase, of course, Mr. Belzberg was a principal who owned the airline, so my exposure was increased at that point in time.

**Mr. Frank Klees:** How long did Mr. Belzberg hold onto his investment in Skyservice?

**Mr. Robert Giguere:** Fall of 2007 to spring of 2010.

**Mr. Frank Klees:** So, not very long.

**Mr. Robert Giguere:** Two and a half years.

**Mr. Frank Klees:** And he sold his investment to, I understand, Roynat and Integrated Private Debt Fund LP. Is that correct?

**Mr. Robert Giguere:** He sold his investment? He remained in an ownership position until the airline closed.

**Mr. Frank Klees:** And what role, then, did Roynat and Integrated Private Debt Fund play in that?

**Mr. Robert Giguere:** They were lenders.

**Mr. Frank Klees:** So they were lenders and lent money to Skyservice. Do you know: Was any capital withdrawn from the company during that time that Mr. Belzberg had the controlling ownership?

**Mr. Robert Giguere:** Withdrawn in what fashion? As a dividend?

**Mr. Frank Klees:** As a dividend. There are many ways that that can be accomplished, right?

**Mr. Robert Giguere:** Mr. Belzberg had a management fee against the organization.

**Mr. Frank Klees:** So funds were drawn out. Over the next year or so, Skyservice accumulated significant debt that I understand involved some \$1.4 million to Nav Canada as well as USFAA. Is that correct?

**Mr. Robert Giguere:** I can't speak to the numbers. On an ongoing basis, any organization that operates would incur operating costs.

**Mr. Frank Klees:** Those are numbers that are readily available. They're in the public domain. There was an assignment into bankruptcy and you've never seen those documents?

**Mr. Robert Giguere:** No, I have; what I'm saying is, I don't know the specific numbers.

**Mr. Frank Klees:** So \$1.4 million to Nav Canada and the USFAA; another \$700,000 to ground handling firms, and some \$12 million to Thomas Cook. Then, on March 30, 2011, your board of directors resigned. Is that correct?

**Mr. Robert Giguere:** What date did you say?

**Mr. Frank Klees:** March 30, 2011.

**Mr. Robert Giguere:** Yes, that's correct.

**Mr. Frank Klees:** And then the next day, I understand you announced that you were shutting down the company. Is that correct?

**Mr. Robert Giguere:** A receiver was appointed.

**Mr. Frank Klees:** I understand there are some ongoing legal issues. Are you still involved in those, around that bankruptcy?

**Mr. Robert Giguere:** Involved in what fashion? I'm a creditor to the—

**Mr. Frank Klees:** Well, you were the COO.

**Mr. Robert Giguere:** Yes.

**Mr. Frank Klees:** And I would expect that, as the COO, you're the one who has first-hand knowledge of the financial transactions and what led up to that bankruptcy.

**Mr. Robert Giguere:** The receivership is with an organization called FTI and is being proceeded through the court process in receivership courts. It's a—

**Mr. Frank Klees:** Have you been co-operating with the receiver and the legal process around this?

**Mr. Robert Giguere:** Yes.

**Mr. Frank Klees:** Mr. Giguere, I have here an affidavit. I have copies for the rest of the committee, Clerk, if you want to distribute it, and please give a copy to Mr. Giguere. In this affidavit—I'm just going to take a minute, Chair, to read a couple of items into the record, and there's a reason for this.

Starting with article 4 in this affidavit, it reads as follows:

"4. Prior to the hearing of the motions"—this is with regard to the receivership—"the receiver had contacted Rob Giguere, who was the president of Skyservice Airlines Inc. from October 17, 2007 to March 31, 2010, to obtain his evidence in relation to certain issues relevant to determination of the motions.

"5. Mr. Giguere initially agreed to provide an affidavit setting out his knowledge of the matters in issue. However, the receiver was subsequently unable to contact him to finalize the swearing of the affidavit.

"6. Counsel for the receiver contacted Mr. Giguere on February 10, 2012, and attempted to obtain a sworn affidavit from him setting out his knowledge of the events at issue. However, Mr. Giguere indicated that he did not wish to be in the middle of the dispute, and did not appreciate that the receiver had indicated it may subpoena him if he refused to swear an affidavit.

"7. On February 13, 2012, at the return of the motions, the Honourable Mr. Justice Morawetz adjourned the motions until May 14, 2012. In his endorsement adjourning the motions, Mr. Justice Morawetz indicated that it would be helpful if Mr. Giguere could meet with counsel



for the receiver and counsel for Sunwing to determine a process by which his evidence could be provided.

“8. Counsel for the receiver made subsequent unsuccessful efforts to contact Mr. Giguere, including by:

“(a) e-mail correspondence to him on February 13, 2012, inviting Mr. Giguere to contact counsel for the receiver and attaching the endorsement of February 13, 2012;

“(b) telephone calls and voicemails to Mr. Giguere on February 13, 2012, asking Mr. Giguere to contact counsel for the receiver; and

“(c) letter correspondence to Mr. Giguere on February 15, 2012, enclosing the endorsement and asking Mr. Giguere to contact counsel for the receiver.”

There is another affidavit; I'd be happy to have this distributed as well, Mr. Clerk. In that affidavit, it refers—and I won't take the time, simply because we don't have the time. But again, it's an affidavit that refers to the fact that Mr. Giguere—in fact, article 19 of this affidavit reads, “The repeated attempts to serve Mr. Giguere by the process server are described in the affidavit of attempted service of Leo Pereira sworn March 19, 2012,” and it talks about the need, then, to compel you to appear.

The reason I say this is that—and I wanted to have this discussion with you—this is disconcerting. We have just gone through a mess at Ornge, and the reason for that is that there was a lack of disclosure and a lack of transparency on the part of the individual who was leading this organization. Notwithstanding the fact that you have extensive experience in the industry, at the end of the day, what we're concerned about in this committee is that whoever is in a leadership position at Ornge is someone who we can trust to be forthright with the information that we need, that the public needs and that the government needs.

Can you explain to us why—and you have just said you were co-operating with the proceedings. Can you explain these affidavits, and can you explain why you were not willing to co-operate and appear when requested to appear in this particular action?

**Mr. Robert Giguere:** Yes.

**Mr. Frank Klees:** Okay, please do.

**Mr. Robert Giguere:** I travel extensively. I think there's a comment you made that I was unable to be served. As you are aware, there is a process for that. The process led to me receiving service. I attended, and I've been co-operating throughout. You're portraying, perhaps, that I'm unavailable. I was travelling extensively during that period and wasn't in the country for lengthy periods of time. I attended with the receiver, with the counsel for the creditors and the receiver—in due course—and provided all the information they needed to the best of my knowledge.

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**Mr. Frank Klees:** Well, Mr. Giguere, I hear the explanation. I'm not comforted by it. We all travel extensively; we're all very busy people. When there is something as important as a legal process, I think we all can make ourselves available by email, by letter, by telep-

hone call. Not to even have made yourself available for that just leaves some questions in my mind.

I had to deal with it because for us, we have seen far too much, and we've heard from people who have amazing credentials, but they've left us wanting in terms of delivery of what we need, and that is trustworthy leadership in this organization.

I'd like to move on to another issue—

**Mr. Robert Giguere:** I would suggest that my reputation in the industry and across Canada would indicate that I am trustworthy, Mr. Klees.

**Mr. Frank Klees:** Okay. I would like to move on to the Transport Canada audit. When Dr. McCallum testified last week, he testified that Transport Canada had three critical findings in the audit of your rotorcraft operations. I have here staff instructions that you'd be very familiar with from Transport Canada. These are instructions to staff who are doing the inspections, right?

**Mr. Robert Giguere:** Yes, more of them.

**Mr. Frank Klees:** It's very clear in those instructions to Transport Canada inspectors, who are conducting the audits, that if in fact there are critical findings during an audit, a notice of suspension is to be issued. Was a notice of suspension issued to Ornge as a result of the three critical findings that were discovered in this audit?

**Mr. Robert Giguere:** No.

**Mr. Frank Klees:** Can you tell me why not?

**Mr. Robert Giguere:** I can't explain Transport's actions. On the findings that you referred to, we confirmed that the findings indicated there was a shortcoming in some documentation. We ensured that the documentation was completed before our crews operated their next flights and met the requirements for Transport. That is what I would believe to be the answer to that.

**Mr. Frank Klees:** Who on your management team was responsible for the events leading up to those critical findings?

**Mr. Robert Giguere:** Who is the head of aviation?

**Mr. Frank Klees:** Yes.

**Mr. Robert Giguere:** The head of aviation is Mr. Feeley, who is our vice-president of aviation, and under him our director of flight operations, one for rotor-wing, one for fixed-wing.

**Mr. Frank Klees:** How did you hold Mr. Feeley accountable for these findings, and what were the consequences for Mr. Feeley?

**Mr. Robert Giguere:** A Transport Canada audit, in this case a program verification inspection, is something that all air operators in Canada would undergo at some point in time. Obviously, we're partners in safety with Transport Canada, and we looked forward to the audit, to confirm and identify areas for improvement—

**Mr. Frank Klees:** Would you agree that a critical finding in an audit is something that anyone in the aviation industry would have very serious concerns about?

**Mr. Robert Giguere:** Naturally, during the course of an audit, if there are things identified that are critical, as you indicate on the list, they're very important. We take



them very seriously, and they were addressed immediately.

**Mr. Frank Klees:** Given that safety is your top concern, how does it come that there would be three critical findings in this audit? Is that not something that should be an exception?

**Mr. Robert Giguere:** An exception to which?

**Mr. Frank Klees:** An exception to any organization that is involved in air ambulance service delivery. Especially given the track record of Ornge, did it surprise you? Or is this simply something that you accept as a matter of fact, that there would be three critical findings by Transport Canada?

**Mr. Robert Giguere:** The program verification inspection and the audit that I believe you have a copy of, obviously, is something that is addressed to us. We welcome the findings. Obviously, we take them very seriously.

On the 10th of April we'll be filing something called a corrective action plan, which addresses the findings in the audit. The critical findings you refer to are obviously of the highest order of interest. There are different levels, as you're aware. Those items were particularly addressed before any further flight conditions.

What they related to and referred to was not a lack of training but a lack of documentation of the training, which is serious in the sense that we could not demonstrate that the training had been completed for the crews. It was relating to ground training that was accomplished in a period of about an hour before the next flight for the crews that had the documentation missing.

**The Chair (Mr. Norm Miller):** You are out of time, so we'll move on to the NDP. Ms. Gélinas?

**M<sup>me</sup> France Gélinas:** Bonjour. Une petite question facile : Est-ce que vous parlez français?

**Mr. Robert Giguere:** No.

**M<sup>me</sup> France Gélinas:** No? The name was a little bit misleading.

**Mr. Robert Giguere:** Yes.

**M<sup>me</sup> France Gélinas:** We'll forgive you.

I have some odds-and-ends questions for you, in no particular order. The first one will be, what would you see as the biggest challenge facing Ornge right now from the position that you're in?

**Mr. Robert Giguere:** We are an organization that has made tremendous strides forward since the troubles of the past. We are focused on ensuring that we have, as I said in my opening remarks, the proper resources. The resources, obviously, in our case are aircraft, helicopters, ambulances and the people who support them, so the pilots and the medics. So we have been working hard.

As I said, I took my role in December. I had been advising up until then, been working very hard to get the staffing levels and that accomplished to ensure that, as we move forward, we're staffed properly, resourced properly. I'm proud to say that we've made tremendous strides in that area in improving our levels of coverage.

**M<sup>me</sup> France Gélinas:** I think Dr. McCallum says that you think you will be fully staffed to your base in

Thunder Bay with the new scheduling late this spring. Am I right?

**Mr. Robert Giguere:** Yes. As you're aware, we're moving to 24/7 coverage on the resources there, whereas we didn't quite have full coverage before under our mandate. Through our collective agreement process with our unions, there's a process for bidding into bases and bidding into positions. That's been completed. At this point in time, we have staffed up some of them now. The training will continue, and we're expecting that, as we approach the summer season, we'll be staffed up. We have just recently added four rotor pilots to our manpower, so that, of course, will help address the shortfall that existed there with the change of service coverage.

**M<sup>me</sup> France Gélinas:** Okay. So you really see this as your biggest challenge. This is what you focus your energy on right now.

**Mr. Robert Giguere:** When we speak of "biggest challenge," I think that's the immediate challenge, because the outcome is delivery to the service and delivery to the front line and delivery to the patients of Ontario. So there are many underlying challenges. I spoke of knocking down silos, working together, improving communication, while at the same time being fiscally responsible, making sure we are effective and efficient in what we do.

**M<sup>me</sup> France Gélinas:** I'd like—as I say, they are odds and ends. We were told that Ornge now has whistle-blower protection—

**Mr. Robert Giguere:** Policy.

**M<sup>me</sup> France Gélinas:** Policy. Do you know what it is?

**Mr. Robert Giguere:** Yes.

**M<sup>me</sup> France Gélinas:** Can you describe it for us?

**Mr. Robert Giguere:** An employee can, through a confidential process, provide to a third party any issue that they feel is of concern in terms of the organization. Additionally, we have, through our other processes, reporting within the company as well that would not be considered part of the whistle-blower policy but would be care reports and other reports that come in when employees have concerns.

**M<sup>me</sup> France Gélinas:** So do you think that the employees know the whistle-blower policy?

**Mr. Robert Giguere:** We've communicated it to them, and the processes—I would say that's it's something that of course becomes a learning for front-line employees. Those who are interested in it would certainly know. Those who might not be quite as interested may not be fully aware, but it's certainly something that can be found available.

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**M<sup>me</sup> France Gélinas:** What would happen if a front-line employee was to come to us, come to the ministry or come to an MPP to blow the whistle on something at Ornge?

**Mr. Robert Giguere:** I suspect that you would listen to them.

**M<sup>me</sup> France Gélinas:** Yes, I would. I'm more interested in what would happen at your end.



**Mr. Robert Giguere:** Well, we wouldn't know about it, so when you say what would happen at our end—if one of our employees came to you, I suspect that would be done on a confidential basis; I don't think they'd advise us that they're coming, but if they did, nothing would happen. I'm a little puzzled at your question, as to what you're—

**M<sup>me</sup> France Gélinas:** No, no. You're going in the right way.

I'm interested in your knowledge, also, of the Ambulance Act. I realize that you were an adviser when the bill was first introduced, and now you're in a permanent position now that the bill is back in front of the House. Did you have a look at what's in the new air ambulance act?

**Mr. Robert Giguere:** At this point in time, I have not studied it, no.

**M<sup>me</sup> France Gélinas:** Had you looked at it the first time?

**Mr. Robert Giguere:** I am aware of it, but again, I had not studied it as an adviser. I was focusing, frankly, a lot on my role directly on the aviation side.

**Mr. Jagmeet Singh:** Can I just jump in? Your initial role was, you were an adviser and an observer.

**Mr. Robert Giguere:** Yes.

**Mr. Jagmeet Singh:** What were some of the key problems that you observed when you were first just observing?

**Mr. Robert Giguere:** My role was special adviser, aviation. As you know, there had been changes in the executive leadership, so that allowed an opportunity, or perhaps a void to fill. I was taking a look at how we were managing our fleet, meaning our aircraft, and how we were deploying our resources: in the case of aviation, our pilots—both rotor-wing and fixed-wing—and our AMEs, our mechanics.

One of the observations that I had early on, which actually crossed over into the other areas, was how we scheduled our crews. We had, essentially, two scheduling departments that didn't work as a team. Again, I mentioned in my opening remarks the silos. In my understanding of the Ornge organization, there were two operating officers; as a consequence, there were two scheduling teams, and yet we're scheduling people for the same resource. Obviously, when we dispatch an aircraft, we have two pilots and two medics on board, so having that scheduling team synchronized and operating as a team was something that became an immediate goal. With the support of Mr. McKerlie and others, we put in place a plan to integrate the two scheduling teams into one, which is now functioning. It gives us better coverage from a scheduling perspective, meaning the manpower who schedule our staff are there on a longer basis in terms of coverage of a 24/7 period, with no additional cost or change in manpower. It has resulted in improved coverage on our front line in terms of how we schedule, both from an effectiveness and efficiency perspective.

**Mr. Jagmeet Singh:** That's good to hear.

**M<sup>me</sup> France Gélinas:** Do you have any reporting or other relationships with people who work for the ministry or for a ministry?

**Mr. Robert Giguere:** Well, Transport Canada, federally. I'm the accountable executive for our certificates for Transport Canada. That would be reporting to a ministry, but it would be a federal ministry. In terms of provincial, my primary relationship with the Ministry of Health is through Mr. Jackson's office.

**M<sup>me</sup> France Gélinas:** Okay. What does the reporting look like? Is it meetings? Is it in writing?

**Mr. Robert Giguere:** Yes. We would meet with his staff and department on a monthly basis, and we would report in regularly. In fact, we report in to their office daily with our operational performance, and we report in a roll-up of performance as well. Then we review any active items or projects that are going on in these monthly meetings.

**M<sup>me</sup> France Gélinas:** Okay. And do you have anything to do with the land ambulance—that Ornge service?

**Mr. Robert Giguere:** With the Ornge land ambulances? Yes. They are a part of the paramedic operations portfolio. We have an acting VP of operations who, I would say, has the direct oversight of the land ambulances, which, of course, we have in various locations. But through Mr. Farr, they report in to me.

**M<sup>me</sup> France Gélinas:** Through Mr. Farr, they report in to you. Okay.

Have you seen, or do you know, what's in the performance agreement that Ornge has signed with the ministry?

**Mr. Robert Giguere:** Have I seen it? Yes.

**M<sup>me</sup> France Gélinas:** Okay. Had you seen the old one?

**Mr. Robert Giguere:** No. I had seen it but I had not reviewed it. I'm aware of the new one, of course, that we signed before I arrived at Ornge in the spring of 2012.

**M<sup>me</sup> France Gélinas:** Anything in the performance agreement that you signed and in the accountability agreement that has been signed that is problematic or out of the ordinary or that requires a ton of time, effort, and resources to comply with, or is it what you would have expected?

**Mr. Robert Giguere:** In the general sense I'd say it's what I would have expected. I think there are probably things over time that, between the ministry and Ornge, may require some tuning, I might say, but certainly as a framework it's a good document. It requires clarity and transparency in reporting, which we do regularly.

**M<sup>me</sup> France Gélinas:** I'm jumping around because I have a limited amount of time.

**Mr. Robert Giguere:** Yes.

**M<sup>me</sup> France Gélinas:** I'm from northern Ontario. Large parts of my riding are serviced by you guys. How can I reassure people out there that we have equity of access to your services, as in, no matter where people are in Ontario? What can I tell people in Nickel Belt that have been kind of shaken up by what's happening at



Ornge when you depend on that service and you see it at the top of the news for days, weeks and months on end? There's a bit of an issue of trust there that has been broken. What can I tell them that would reassure them that, yes, we do have equitable access?

**Mr. Robert Giguere:** Well, as you're aware, we have bases in the north. We have a rotor base in Moosonee, a helicopter base in Kenora, a helicopter and fixed-wing base in Thunder Bay and fixed-wing bases in Sioux Lookout and Timmins. I don't know where your line for the north is drawn, but of course we have a rotor base in Sudbury as well. So, throughout all the challenges, our performance has been very good. On a daily basis we operate into all areas of the province. We do so quite effectively, obviously sometimes impacted by weather. Any delays that are incurred are reported to the ministry on a daily basis. I'm confident that we're continuing to and we'll continue to deliver effectively to the north.

As you know, we also use standing agreement carriers to supplement our service on medical cases that are less acute—for primary care cases and some cases of advanced care. That gives us a very nice complement to service the north as well. They do a high frequency of trips with fixed-wing aircraft in the north.

**M<sup>me</sup> France Gélinas:** Do you feel confident that the resources—resources as in budget, aircraft, staff, etc.—are, if not at, that you have a path to get you to where you need to go within the resources that you have at your disposal right now?

**Mr. Robert Giguere:** Yes, I believe so. As I said earlier, our focus is on ensuring that we have the right resources, both human and our operating assets in terms of aircrafts and land ambulances. Our reliability is very good, and we continue to see improvements in our level of care throughout the system through our training processes. So, yes, I am confident.

**M<sup>me</sup> France Gélinas:** It may not be your responsibility, but if you have any ideas as to—there is an issue of trust right now from the people in the communities that depend on Ornge because of the trouble that Ornge has gone through. Are there any actions that are being taken on the part of Ornge to reassure and rebuild that trust?

**Mr. Robert Giguere:** Obviously the most important thing we do is service the patient. That's our primary focus. So, by our actions, which we're proud of in terms of our front-line people who just do a wonderful job when they're out there taking care of the patients of Ontario—obviously that's key in terms of making sure that we're doing the right things. But from a broader aspect, we're reaching out to the various LHINs and hospitals to the regions we serve, to community leaders and so on, sharing our knowledge with them and vice versa so that we work better together in collaboration with these organizations and agencies across the province to ensure that we deliver an effective and seamless part of the health care system.

**M<sup>me</sup> France Gélinas:** How are those relationships going? Where I come from, there were hospitals and agencies that were just completely turned off with Ornge.

They would not even bother to call you anymore. Are you rebuilding any of those bridges?

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**Mr. Robert Giguere:** Absolutely. I would say we're steadily improving each time we visit a community, and we have managers at each of our bases who also reach out in the communities. Dr. McCallum has been meeting with various organizations as he has visited bases across the province. I have as well, and I would say that those relationships are improving. Our doors are open for building the relationships with all the stakeholders in the health care business.

**M<sup>me</sup> France Gélinas:** And have you been welcomed, or is it difficult to get the conversation started?

**Mr. Robert Giguere:** The past is interesting, but when you reach out with a smile and an open hand and a willingness to work with someone, generally they're quite happy to see you. So I would say that no, there have been no challenges when we reach out to someone to say, "We're here to work with you."

**M<sup>me</sup> France Gélinas:** You're well received?

**Mr. Robert Giguere:** Yes, very much so.

**M<sup>me</sup> France Gélinas:** Did you have a question?

**Mr. Jagmeet Singh:** Yes. You've heard a lot of the issues that have gone on about the delivery of care when it comes to Ornge, and I commend you on taking some steps to make sure that's better.

If you could look back, with your experience and your expertise, what were some other areas that you could see that were flawed, or some other models or other mechanisms that were just the wrong direction to head in for Ornge? From the aviation side—

**Mr. Robert Giguere:** I don't know that I'd say necessarily the wrong direction, but I would say that I believe the transition from the previous rotor operator to ourselves perhaps could have been handled more smoothly. I think that the change from a private organization to essentially a government type of organization, which we are, had some challenges that perhaps could have been handled somewhat differently. A culture change for the employees of the previous operator into Ornge, I think, was challenging for them. Certainly we've been building bridges with those employees, and I would say the relationship is significantly improved. As a consequence, of course, as we rebuild, we're seeing performance improvements as well.

**Mr. Jagmeet Singh:** That's good. You were mentioning that you have regular reporting to the ministry on a daily basis, as well as monthly meetings. How are those set up and who initiated those?

**Mr. Robert Giguere:** I don't recall exactly how they were initiated, but certainly they've been in place for a while. We report, every morning, activities of the previous day, which would include our service levels, the number of patients carried, the number of miles. In the circumstances where we cannot carry a patient or cannot attend to a patient because of weather or other reasons, that's reported. Any delays are reported. That's done on a daily basis. We also have a report called a resource



availability report, which really rolls up all of the components necessary for us to deploy an asset. It's important that the aircraft are serviceable, but having an aircraft serviceable without two pilots and two medics serves no purpose. We consolidate all that information into a resource availability report that then rolls into both a daily, a 10-day and a 30-day report that we provide to the ministry.

**The Chair (Mr. Norm Miller):** You have a couple of minutes left.

**Mr. Jagmeet Singh:** Sure. I just have one last follow-up question. Whether or not a new air ambulance bill is passed, that's not going to stop you from conducting the reporting that you've been doing so far?

**Mr. Robert Giguere:** No, absolutely not. Any bill that is passed, obviously, we will abide with, and we will be very open to ensure that we're compliant with it. There's no lack of information available, and whatever is required we'll provide, for sure.

**Mr. Jagmeet Singh:** And you will continue doing what you're doing already, the oversight that's already going on?

**Mr. Robert Giguere:** Yes. Some of the things we're doing, although we speak of it as reporting to the ministry—in fact, the resource availability report is something I measure our folks against inside the organization to see if we're being effective. Although, obviously, the ministry and the government are very much interested in what we're doing, internally we're challenging our own folks at all levels to ensure that we continue to improve our performance. So we're using it also as an internal measure, not just an external measure.

**M<sup>me</sup> France Gélinas:** Is there something you're looking forward for the legislation to change, kind of, "We really need to get to the next level. We need to do something better. If only the law would allow us to do X, Y, Z"?

**Mr. Robert Giguere:** I wouldn't say so from my perspective. Dr. McCallum may have a view on it, and the board, but from my perspective as an operating officer, my role is to make sure that we're properly resourced and properly trained and effective in what we do and deliver to the standards we are expected.

**The Chair (Mr. Norm Miller):** Thank you very much. We'll move on to the government, then. Ms. Jaczek?

**Ms. Helena Jaczek:** Well, Mr. Giguere, I would like to go over a little bit more in terms of your credentials in aviation, because I think in all modesty you probably abbreviated some of your experience. When did you first obtain your pilot's licence?

**Mr. Robert Giguere:** I started flying in Winnipeg in the late 1960s. I achieved my commercial licence in 1973.

**Ms. Helena Jaczek:** Have you been involved in aviation since that time, essentially four decades?

**Mr. Robert Giguere:** Yes. As I said, I have an engineering degree. I became a commercial pilot in the 1970s. I was hired by Air Canada in 1974 and involved

as a line pilot for a number of years. I was invited into management as a test pilot at our overhaul factory in Winnipeg for the 727s and doing checking and instructing on the 727 fleet. I became a manager for the Airbus fleet as Air Canada introduced the Airbus into the fleet, ultimately chief pilot on that aircraft, responsible for a fleet of over 100 aircraft. Then, I was vice-president of flight operations, senior vice-president of flight operations, executive vice-president of operations with all operating branches reporting into me. I was the executive responsible for integrating the operation of Canadian Airlines and Air Canada into one operating certificate and amalgamating all the labour-related issues with that integration.

**Ms. Helena Jaczek:** So when you were approached originally by Ornge, by Mr. McKerlie apparently, explain to us what reasons he gave to you for approaching you. Did he ask you about your experience? What was he looking for? What did Ornge need at that point?

**Mr. Robert Giguere:** He indicated that, as a consequence of the recent changes in the structure, which obviously included the departure of some key individuals within the organization—or people who held key positions—he could use some advice and oversight in terms of the aviation side. I indicated to him that if he was looking for a technical specialist who would rewrite manuals, review documents, either on the turbine side or the rotor side, I was probably not the right person to select. I said, however, if he was looking for someone to take a look at systems, processes, team-building and leadership, I would be a more appropriate person for that role. We had a couple of conversations and then followed on with a contract with essentially some terms that identified what I would be looking at, and that's the role I've taken.

Through the course of several months, as a consequence of the interface between the aviation division and what we call at Ornge the operations division—operations is really paramedic operations, so it's the front-line paramedics, whereas aviation is related to the aircraft themselves, and obviously, they combine into one team. It was clear to me, and one of my early recommendations was to integrate the scheduling department. My recommendation was to integrate the entire operations—aviation, all components; paramedic operations, all components; and our operations control centre, which is really kind of the heartbeat of the operation, where the calls come in and where we dispatch our crews from—into one operation. So it became one cohesive team with one common goal of delivering to the patients.

**Ms. Helena Jaczek:** In other words, to avoid those silos that you had observed had somewhat been established.

**Mr. Robert Giguere:** Absolutely, yes.

**Ms. Helena Jaczek:** I think most of us, as we heard about what had gone wrong with Ornge, were somewhat dismayed about the interiors of the AW139 helicopters. Again, perhaps because people weren't really talking to each other, the paramedics were finding that they were



unable to provide CPR because of the way the interior was designed. Was that something that you got involved with, the refit of those interiors?

**Mr. Robert Giguere:** When I arrived in April of last year, there were the initial phases of the review and the study that had to be done to correct the anomaly. As you may be aware, there was an exemption granted by Transport Canada to operate the aircraft in a slightly different configuration. That exemption lasted for a year. From an aviation perspective, obviously, I was very much interested in that, with Mr. Feeley, who headed up the aviation team. We worked closely together with the manufacturer, who had gone through the RFP process and so on, for the correction to the interior. I met with the manufacturer a couple of times and was active and provided guidance and oversight through that. We received the certification of what we call the interim interior, so the current interior we're flying. In late December we took delivery of the parts to make that happen, and then completed the installations in January, in time for the expiry of the exemption. We're currently flying that interior right now, or that stretcher.

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**Ms. Helena Jaczek:** And that's functioning with patient safety in mind and paramedics' ability to provide service?

**Mr. Robert Giguere:** Yes.

**Ms. Helena Jaczek:** You're satisfied with that?

**Mr. Robert Giguere:** Yes. We went through essentially a risk analysis and checklist as that new interior was certified and approved. Of course, on delivery we've been very interested in feedback from our medics and our pilots as to how it operates. It's satisfactory and it meets all the requirements. Our medical advisory committee, headed up by Dr. Sawadsky, has obviously been involved. We've provided the assurances to the Ministry of Health and documentation that all these activities that are required on board the aircraft—in particular the helicopter, the 139 in particular—can be completed safely and that the patient care is where it should be.

**Ms. Helena Jaczek:** When Dr. McCallum was here last week, he spoke about the amount of service that is given to northern communities, especially in transfer. He actually indicated that something over 60% of the transports were north of Sudbury. So can you just detail a little bit more, from the operations perspective, what changes have been made at Ornge to improve the service to the north?

**Mr. Robert Giguere:** In terms of service to the north, obviously our bases are the same as they have been for some time, although you'll be well aware of the recent change for the Thunder Bay base, where were putting on an extra line of medics, which will mean that the three aircraft resources—two fixed-wing and one helicopter—are fully staffed 24 hours a day, seven days a week, which was not truly the case in the past. We had two lines of medics for three lines of aircraft and we essentially shared the medics, which didn't give us full coverage.

We have also recently put out an RFP to renew the standing agreement carriers, what we call the SA carriers, who fly supplementally to Ornge, primarily on trips that are of lower acuity, so primary care. That process is completing and we expect that sometime very soon, within the next month or so, we'll have that completed with a large, extensive fleet of SA carriers available to us as well. I think that will be an improvement to service levels, and availability, I might say. So those are sort of two key points that we're working on.

Staffing, of course, is always the issue that we're cognizant of in the north, and continuing to make sure that the north is fully staffed.

**Ms. Helena Jaczek:** I'm glad to hear, certainly, in terms of staffing, that there has been improvement. What about the training and education of those staff? What have you been able to do—

**Mr. Robert Giguere:** So training and education on two sides—I think sometimes when we're staffing we have to recognize there are two sides to the equation. On the aviation side, as I said, we've just hired some pilots who are undergoing training to fly the Sikorsky 76, which is the rotor that is actually based in the north, in Kenora, Thunder Bay and Moosonee. Then, on the medic side, we're continuing with the training. We have what we would call an accelerated course of medics who are going through training right now from a primary care level to advanced care. They're in the process of completing, right now, this phase. Next fall we'll start another course—an intensive course, an immersion course, so to speak—that will start in September, of advanced care paramedics up to a critical care level. In the past, some of those courses were quite extended courses while medics were not taken off their flight line duties, and it was spread out over a longer period. We've now taken the view that we backfill, we put them into the class, and we turn them out at higher rate in a faster time. So we're continuing that process and will continue to do so as we go forward.

**Ms. Helena Jaczek:** So what's the end point, would you say, in terms of completion of the upgrading and appropriate training that you need for your in-house people?

**Mr. Robert Giguere:** To get everyone to the level of care that we're targeting, it is a long journey. To take a paramedic from a primary care to an advanced care to a critical care is about a two-year process, or even longer. We're making good strides on that. We're achieving higher levels of care. Mr. Farr has been working with the colleges to ensure that the students that are coming out are trained to perhaps what we might consider an enhanced level of care, advanced care, flight, which is something that hasn't been done in the past. That will mean that graduates from the colleges, if we complete those discussions with the colleges, will be available to us coming out of the colleges and into the Ornge organization as we require additional medics. So that will be also a result in favourable outcomes for our staffing.

**Ms. Helena Jaczek:** Mr. Giguere, you know that the ministry amended the performance agreement, obviously,



with Ornge. Part of that performance agreement is the development of a quality improvement plan, and I'd like to refer to the 2012-13 quality improvement plan.

Mr. Clerk, if I could just ask you to circulate this and make sure Mr. Giguere has a copy. I'll be referring to page 10 of the document. This is a plan, of course, that's posted on Ornge's website and is available to all.

I was particularly interested in terms of, again, some of the testimony that we heard in relation to the availability of helicopters and aircraft. Second paragraph on page 10, there's a statement here: "There was 97.3 per cent base aircraft (helicopter and airplane) availability over the same three-month period, which has been a goal for the entire Ornge fleet since March 2012."

So what I was really interested in was: What would these percentages have looked like before? What was the pre-amended performance agreement rate? We have a goal here, and I guess we would all like to see 100%. So I'm wondering what the plan is going forward to reach that goal.

**Mr. Robert Giguere:** A 97.3% reliability on an aircraft, or availability of an aircraft, is very good in any measure. Obviously, I can't speak to what it was in the past; I don't have that information available. We can get it for you.

These numbers are very good numbers. We continue to strive for higher numbers. I have an operations meeting every day at 9 o'clock where we review with the key functional heads of each department our aircraft availability, as well as our crew availability. We have, for some time now, had all our bases operational every day from an aircraft perspective, and we track that and, as I say, report it. But we don't just report aircraft availability, which sometimes some people mistake as availability for our resource, because aircraft availability is only one component, and we need two pilots and two medics to adequately service. So we measure all three components, roll them up and then create a number.

But our aircraft reliability has been very good. Our maintenance team have been doing an excellent job of keeping our fleet airborne and reliable.

**Ms. Helena Jaczek:** I would like, if possible, to find out what the rate was, say, in 2011 or a previous type of percentage so we could—from our perspective, we want to restore public confidence in Ornge. Wherever measurable, we want to see continuous quality improvement. That's clearly the goal of this quality improvement plan. I guess it's a question—there are some issues like weather, I presume, where there are problems around availability. I guess getting to that 100%, there may be some extenuating circumstances.

**Mr. Robert Giguere:** On the aircraft side, weather would not have an impact. So weather may affect our actual delivery when the aircraft and crews are ready to go, which is a different measure, and obviously it's something beyond our control. But the aircraft availability is something we watch closely, as well as the crew availability, and we can get those figures for you from the past. I believe they're available, but I'll have to check with the aviation team.

**Ms. Helena Jaczek:** Okay. Now I'd just like to turn to the issue Mr. Klees raised in relation to the audit that was conducted. There were some deficiencies. Is this something that's done routinely? Can you explain a little bit more about—

**Mr. Robert Giguere:** Yes. Over the number of years, Transport Canada have changed sometimes the method in which they do audits. But all air operators—and those would be people who have an operating certificate or a maintenance organization—would be audited by Transport and measured essentially against the standard to say, "Here's how you're doing. Here's where you can improve. You're meeting the requirements; you're falling short of the requirements. We believe you can do better in these areas."

This is something that's done regularly. In the course of my career, I've been involved in a number of audits, obviously, at different levels and in different roles. So these are things that are done on an ongoing basis for every aviation organization in Canada.

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**Ms. Helena Jaczek:** Yes, so it's part of a routine that is conducted.

**Mr. Robert Giguere:** Yes.

**Ms. Helena Jaczek:** And no flights were delayed because of these findings?

**Mr. Robert Giguere:** On the side of the training records, we did have what we would describe as down-staff, meaning the aircraft not available for a very short period of time on some shifts of rotor aircraft in the south—our southern bases. That issue was addressed within about an hour or so on the base. The training records were completed, put into the file and made compliant with the requirement of the regulation to ensure that we had the documentation, supporting the fact that the training had been done.

I think it should be very clear that it wasn't a case of training not being completed; it was not having the documentation supporting the training that had been completed. We completed that, but there was no impact on patient care.

**Ms. Helena Jaczek:** Exactly, so patient safety wasn't jeopardized in any way?

**Mr. Robert Giguere:** Correct.

**Ms. Helena Jaczek:** My colleague Ms. Damerla has a question.

**Ms. Dipika Damerla:** Thanks, Helena. Thank you Mr. Giguere—Giguere?

**Mr. Robert Giguere:** Giguere, yes.

**Ms. Dipika Damerla:** Sorry. Thank you for coming. It does seem, based on what I've heard, that between you and Mr. McCallum, Ornge is in pretty good hands.

I did have some questions on the corporate structure, because in your brief deputation I heard you say you were involved in drafting the new corporate structure—the organizational structure. I'm wondering if it would be possible for the Clerk to give him a copy so that he knows what I'm looking at. Is that possible?



Just based on that, I'm curious about the Ornge Global Air Inc., which is the for-profit—the blue square that's the fifth one from the left.

**Mr. Robert Giguere:** I will say that in my opening comments about organizational structure, I was speaking specifically about organizational structure of our operations group. This document—although I'm aware of it, I'm not particularly familiar with it. Mr. McCallum and our counsel and so on have been working with it—but yes, Ornge Global Air Inc.

**Ms. Dipika Damerla:** I just wanted to know: In your daily operations, where does this for-profit entity fit in?

**Mr. Robert Giguere:** Ornge Global Air and the company below it—which you see is 7506406—are actually the corporations that hold the certificates that allow us to perform our aviation functions. They are the holders of our operating certificate: one for aviation fixed-wing and another for aviation rotor-wing.

**Ms. Dipika Damerla:** I get that I'm not an expert in this. Is it typical for an organization like Ornge to have that holding entity to be for-profit?

**Mr. Robert Giguere:** It's not atypical, but obviously these things were set up for a purpose in the past which I can't speak to. As we go forward—I believe Mr. McCallum testified, and it's certainly available to you. We've rolled up a number of companies in the past year. I haven't been particularly involved in that, obviously, from an aviation oversight or even from my operating role, but a lot of companies have been rolled up, and that process continues, to simplify the structure.

**Ms. Dipika Damerla:** Okay, yes. Would you be in a position to talk about whether there has been any thought given to turning this for-profit holding entity into a not-for-profit?

**Mr. Robert Giguere:** It is being considered. I'm aware that these things are “under discussion,” would be perhaps more accurate.

**Ms. Dipika Damerla:** Excellent.

**The Chair (Mr. Norm Miller):** Dipika, you have two minutes.

**Ms. Dipika Damerla:** Two minutes? Thank you so much.

My other question is, what kind of a Chinese wall is there between the controlled and not-controlled parts from a day-to-day operations perspective, because the taxpayer dollars, I'm guessing, go to the controlled piece.

**Mr. Robert Giguere:** You're trying to follow the dollars.

**Ms. Dipika Damerla:** Yes.

**Mr. Robert Giguere:** In terms of following the dollars, they are all fully rolled up. They're all transparent, so any money that's spent, obviously, in those other two entities is rolled into the parent company; they're captured.

**Ms. Dipika Damerla:** Sorry, no; I was talking more from controlled to not controlled. There's a group that says “controlled” and there's a group that says “not controlled.”

**Mr. Robert Giguere:** Yes. I can't speak to that, but we can certainly get the answer for you.

**Ms. Dipika Damerla:** That would be great.

**Mr. Robert Giguere:** Yes.

**Ms. Dipika Damerla:** My last question, because I think I have a few minutes, is on Bill 11. Dr. McCallum did testify earlier, and he said—that's the proposed bill the government is bringing in—that it would certainly go a long way in restoring public confidence, and I just wanted your thoughts on it.

**Mr. Robert Giguere:** Well, obviously, whatever the Legislature decides, we'll be very supportive of it and welcome it and look forward to seeing what the final document looks like.

**Ms. Dipika Damerla:** Thank you.

**Ms. Helena Jaczek:** If we have any time left—I think we're going to have an extra five minutes? Is that—

**The Chair (Mr. Norm Miller):** I think that we may, if the committee agrees. You're pretty much out of your 20 minutes. Mr. Klees, did you have a request?

**Mr. Frank Klees:** Yes: if we could, while we have Mr. Giguere here, allocate an additional five minutes per caucus. I understand that we'll carve that out of the Minister of Health, who will be available to us at some other time if we need some additional time with her.

**The Chair (Mr. Norm Miller):** Is that agreed? Agreed. We'll move to Mr. Klees.

**Mr. Frank Klees:** Do you want to carry on with your five minutes first?

**Ms. Helena Jaczek:** No. Why don't we just carry on in rotation.

**The Chair (Mr. Norm Miller):** Okay. Mr. Klees, you have five minutes.

**Mr. Frank Klees:** Thank you. Mr. Giguere, a couple of things. You mentioned the resource availability report.

**Mr. Robert Giguere:** Yes.

**Mr. Frank Klees:** Could you make available to this committee that report for the last number of months, from the time that you started to keep those records until today?

**Mr. Robert Giguere:** Certainly. I understand, Mr. Klees, that you had asked for the AOSRs, which are the aircraft out of service reports. I think it's important that you understand the distinction. The AOSRs are primarily documents that were capturing the performance levels of our rotor operations. As I've indicated earlier, that truly didn't reflect the effectiveness of Ornge as a complete organization, and it didn't reflect the availability of the fixed-wing or the land ambulances.

I don't have the exact date, but in August of last year, essentially, that became what I would describe as a secondary report. The rolled-up report, which is the resource availability report, started in August. We can make those available to you. I believe you've got the AOSRs that you requested. I believe you've got them for the last year. I forget the exact dates I was advised.

**Mr. Frank Klees:** If you could send us the resource availability report, starting—

**Mr. Robert Giguere:** Yes. They would commence in—I believe August is the first complete month we've



got. Perhaps by the time we send them, March will be available, but certainly we have them to the end of February at this point in time. I have some of them with me here.

**Mr. Frank Klees:** Thank you.

I'd like to go on to something very specific here. When Mr. Rob Blakely of CHL testified before this committee, he provided testimony that showed that the dispatch reliability of the helicopter operation was 98%. Do you have any reason to dispute that?

**Mr. Robert Giguere:** I don't know that number and I don't know what it's based on, but I'll take you at your comments.

**Mr. Frank Klees:** That was his testimony. He presented documentation to support that. Last week, Dr. McCallum testified that the rotorcraft dispatch reliability rate was "above 85%." I think you'll agree that these availability rates are significant. It's my understanding that each percentage point of dispatch reliability represents over 700 hours of service interruption. If that's the case, then the difference between the 98% that Mr. Blakely indicated was the rate of dispatch reliability before Ornge took over control of that aspect of the service and what it is now, according to Dr. McCallum, somewhere in the range of 85%—that we're currently experiencing significant service interruption compared to what it was under the previous operator. It translates literally into hundreds of thousands of hours since Ornge took over the helicopter operation.

Can you tell us if, in your opinion, that is acceptable? We had a situation where there was 98% reliability. Now we're talking about 85% reliability. With the thousands of hours of interruption, particularly given the impact on patients of any delay, what is acceptable to Ornge?

**Mr. Robert Giguere:** I think it's important we understand the numbers that we're speaking of. I haven't seen Mr. Blakely's testimony, but I take your point that he raised it at 98%, and I'll refer to the—actually, the document was kindly provided. We're at 97.3% for our base aircraft helicopter and airplane in terms of availability at the base to fly the mission. That really is the number that's important. As I said—

**Mr. Frank Klees:** Well, actually, if I may, I think what's important is the dispatch reliability because, unless I'm wrong, the dispatch reliability is the combination of the aircraft reliability plus paramedic availability so that you can actually respond to a call—two very different things. You may have 100% reliability or availability of aircraft; if you don't have the paramedics available, you can't respond, and that impacts on the dispatch reliability. So if, in fact, it's the two combined, I would suggest that this document here is actually—I'm not saying intentionally misrepresenting, but it certainly doesn't tell the whole story in terms of whether Ornge is available to respond to calls. That's what we're dealing with here.

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We have had far too many examples presented to this committee where Ornge was not available because either

the aircraft wasn't available or because paramedics weren't available. Hence, the dispatch reliability is what I'm focusing in on. I'd just like to know from you, given the disparity—and we'll see this, I'm sure, on the resource availability report, which is why I'm interested in seeing that—the number of times that Ornge still is not able to respond and dispatch a crew when the need is there.

**The Chair (Mr. Norm Miller):** Take the time you need to answer the question, but you've actually used all your time, Mr. Klees. Take as much time as you need.

**Mr. Robert Giguere:** Do you mind?

**The Chair (Mr. Norm Miller):** Yes, please.

**Mr. Robert Giguere:** I think it's important for us to understand the distinction between what Mr. Blakely is reporting, what we're reporting and what I'm referring to here. In terms of aircraft availability at a base, 97.3%, I certainly don't want you to believe that I'm holding that up and saying, "That is our performance all the time." I'm saying, that is how often the aircraft are ready for dispatch from a maintenance perspective, from an engineering, technical perspective.

The resource availability report, which you'll have soon, captures all the components required. It isn't limited to rotor, isn't limited to fixed-wing; it includes our ambulance service. Obviously, you need three components to be available: You need the aircraft, you need the pilots and you need the medics. Those reports show good, solid numbers. They show that those numbers are improving. Our aircraft availability is high, at 97.3% for the last few months. We have a degradation of that performance based on what I describe as the human side, the paramedics and pilots. There are occurrences where we have sick time, where we have personal days, where we have bereavement and so on, where we may not be able to backfill.

We're working very closely with the representatives of the various associations that represent our employees to ensure that we have a good on-call system to make sure that we are able to resource and staff our aircraft at all times across the province. You'll see from the resource availability that we're running above 90% when you combine all items. When you limit the items and keep isolating them down, you can create higher numbers. But I don't want anybody to misunderstand me: When I say "creating higher numbers," I'm not saying creating artificially, but in isolation. If you look at aircraft availability, it would actually be the best of our performance levels. Then, when you combine all the other vital components to get it resource-ready, we end up with a somewhat lower number—still exceeding 90%. I can't give them all to you. You'll have them available to you. You'll actually see the roll-up as to what was missing on any particular component that would pull that number down somewhat. I would say that our aircraft availability is very good across the system, very reliable.

Do we miss sometimes? Like any aviation organization, it's important that we all understand that we will miss, from a readiness perspective and from a reliability



perspective, because that's how we protect the safety of the organization. We make sure that when an aircraft has a mechanical issue, we park it. We put it on the ground, and we repair it. We've got a very skilled team of people who identify those faults and repair those faults. That's the number one priority for me: to make sure that when we dispatch an aircraft, it's a safe resource, fully compliant. We make sure that the package that we're delivering to the patients of Ontario is the right package.

There will be times we miss. I'd love to say that we'll be at 100%. I can say with certainty that I don't believe that will ever happen because that is probably not the right answer from a fiscal perspective to have 100% reliability and redundancy across the province. That is our goal, but obviously it's a challenge that's huge, because you do have human issues, you have weather issues, and you have maintenance issues on very complicated mechanical devices that we call aircraft and rotor aircraft. There are times where they do fail in operation. When that happens, our reliability drops somewhat below 100%.

**The Chair (Mr. Norm Miller):** Thank you. We'll move to the NDP. That was almost 10 minutes, so you can have the same amount of time if you wish. Go ahead. Who would like to go?

**Mr. Jagmeet Singh:** Thank you very much. I just want to go over some of the steps that you're taking right now. You touched on them before, but I want to itemize them in terms of the reporting requirements: external, and then some of them that are internal and some that are both external and internal.

One of the things you mentioned is that there are daily reports that go off to the ministry. What are those reports? If you could kind of itemize them briefly, what type of reports they are.

**Mr. Robert Giguere:** So they would be sent out every day. Of course, on a Monday, they capture the weekend, although they're prepared. They would capture—some of the things that are of interest, obviously, are total number of patients carried; patients by level of care—critical care, advanced care, primary care—further broken down into the resource that carried them. So they might be carried by land ambulance, they might be carried by helicopter, they might be carried by a fixed-wing aircraft—further broken down, in the fixed-wing aircraft, to whether it's an Ornge fixed-wing aircraft or a standing agreement carrier fixed-wing aircraft.

We would continue down that path, and we would report into what I would describe as deeper details of that breakdown: average times for a call, dispatch reliability, and then any delays that we would note would be any delays of significance where we couldn't service a call immediately. Sometimes you have a resource out on a call and you get a call for another one. There may be what I would describe as a delay while one call is completed and the other call is started if you're in a remote area. If you have your resource in Moosonee on a trip that has been dispatched for—obviously, if a second

one comes up, you complete the first and start the second.

**Mr. Jagmeet Singh:** Sure. So that's a good breakdown of—those are the reports that go out on a daily basis?

**Mr. Robert Giguere:** A daily basis to the ministry, yes.

**Mr. Jagmeet Singh:** Which ones are—you mentioned one, internal reporting, which was resource availability, and you use that as an external as well.

**Mr. Robert Giguere:** We report it to the ministry as well, which essentially combines a lot of data, but it focuses primarily on the availability of the resource, so aircraft, rotor aircraft or ambulance, then our skilled professionals who operate those. In the case of aircraft, it's two pilots and two medics, and in the case of a land ambulance, just two medics. All that rolls into the resource availability report.

**Mr. Jagmeet Singh:** Are there other reports like that that aren't external, that are strictly internal? Reports that you generate just to test your own performance against yourself or against that report?

**Mr. Robert Giguere:** Anything that we have that we produce internally is available externally to the ministry, but we roll them up, so there are obviously segmented reports that go very deep. I have each of the operating teams looking at particular items that would be, frankly, very complex if you continue to report in that detail. Each group looks and digs down into the areas that would impact their operation.

**Mr. Jagmeet Singh:** So all these reports that you generate, and all this reporting to the ministry, that goes on, on a daily basis, you've described. What's the monthly basis that you described before?

**Mr. Robert Giguere:** That's the resource availability report. Obviously, there are other things that are reported. I'm talking specifically about the operation. So the resource availability report is a roll-up of the essentially daily performance reports.

**Mr. Jagmeet Singh:** So you have that mechanism in place right now where there's a daily—and then obviously Monday captures the weekend as well—and you have a monthly report where you kind of roll up all these reports together.

**Mr. Robert Giguere:** Yes, and we do it as well by each third of the month, so the first 10 days, next 10 days, last 10 days as well.

**Mr. Jagmeet Singh:** So that's actually three levels, then. You have a daily, you have a 10-day and then you have a monthly.

**Mr. Robert Giguere:** Correct.

**Mr. Jagmeet Singh:** Perfect. And all these things are in existence and are going to continue to be in existence. Is it fair to say that you will continue to do this whether or not the air ambulance bill gets passed or not? You're going to continue to do this because you believe in providing great transparency?

**Mr. Robert Giguere:** Absolutely. I think it's very important for any organization to measure themselves



against some standards, to report those standards internally and, of course, depending on the organization, you report to the board. You report to an external agency in our case. I feel they're vitally important, and if you don't measure, you don't get the improvement. It's important for our staff to see the measurement so they understand where we're doing, how we're doing against our measures.

**Mr. Jagmeet Singh:** Excellent. Outside of the reporting that we just talked about, are there any, as part of an operations type of—addressing that area, are there regular visitations by the ministry, or are there scheduled visits or unscheduled visits that do occur on a regular basis, whether it's monthly or weekly?

**Mr. Robert Giguere:** Well, as I said, we meet with the air ambulance oversight branch monthly. During the course of the month, we have an interface regularly—not necessarily always myself; sometimes it's Mr. Farr, who's the head of our paramedic operations.

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Any investigations that are going on are handled by our investigations department, so there's an interface there with the ministry on a very regular basis. I'm aware of those but not directly involved unless they reach a high level, obviously.

Then, of course, if there's any of what I'd describe as ad hoc requests, we interface with the air ambulance oversight branch as well, when there's a question or an issue that they'd like addressed or an answer to.

**Mr. Jagmeet Singh:** Okay. This may not make sense; I'm just going to put this out there as a question as well: Is there something like a spot check, where there would just be an unannounced, unscheduled drop-in to oversee or to look at the operations side of Ornge?

**Mr. Robert Giguere:** Certainly there's nothing that precludes it, and I'd not be concerned about it. I believe that in the past there have been people visiting our bases or visiting our operation, but I can't say there's a program. You'd have to probably ask Mr. Jackson if he has any plans in that regard.

**Mr. Jagmeet Singh:** From the ministry. Okay, fair enough.

France?

**M<sup>me</sup> France Gélinas:** I know I asked you questions before about the whistle-blower protection that is now available at Ornge. There's a bill in front of the good people who sit here, in front of us, asking us to prescribe a different whistle-blower protection for your agency. From what you've seen of what you have right now, and if you've had opportunities—you have had opportunities—to work in other agencies that had whistle-blower protection, do you feel what you have is adequate; it's barely making it; it's excellent? How would you rate it?

**Mr. Robert Giguere:** I think it's very, very healthy, the program we've got. We called it "whistle-blower" here. In other organizations I've seen, there's anonymous reporting—various things that it's called. I believe it's very healthy and very adequate for our organization.

**M<sup>me</sup> France Gélinas:** You would feel confident moving forward with what you have in place?

**Mr. Robert Giguere:** Yes.

**M<sup>me</sup> France Gélinas:** You would feel confident that that—

**Mr. Robert Giguere:** I believe it will be very effective.

**M<sup>me</sup> France Gélinas:** Okay. That's good for us.

**The Chair (Mr. Norm Miller):** Thank you very much. We'll move on to the government. Mr. McNeely?

**Mr. Phil McNeely:** Mr. Giguere, in this quality improvement plan, you say, "We are in the process of rebuilding Ornge, and it is an exciting and rewarding process." We've certainly been hearing good things about the improvements that were made at Ornge in the last few months.

You've run airlines, so that's something that you know about. Governments generally own the land ambulances. I'd just like you to explain the advantages for Ornge—for the province, for the taxpayers—of operating our own fleet of aircraft.

**Mr. Robert Giguere:** Obviously we're flying both fixed-wing and rotor aircraft: PC-12s on the fixed-wing side, and rotor aircraft are flying S-76s—the Sikorsky S-76s—in the north and the Agusta AW139s in the south.

From a perspective of operating them ourselves, if there's a for-profit operation that you're contracting to, obviously you build a profit margin in. So if we are as effective as the for-profit organization you might contract to, we would in fact take that profit out. So it would be cheaper for us to operate.

We have care and control. We set the standards; we make sure they're complied with. We have one integrated and seamless operation.

**Mr. Phil McNeely:** So patient safety, for service to the public, for taxpayers' dollars, you feel that this is a proper way to go forward?

**Mr. Robert Giguere:** Yes. Very effective.

**Mr. Phil McNeely:** Thank you.

**The Chair (Mr. Norm Miller):** Ms. Jaczek.

**Ms. Helena Jaczek:** So, in other words, to follow up, you would see no reason whatsoever to go back to the former model of air ambulance in Ontario, where there was a contracting out?

**Mr. Robert Giguere:** I think it's always important in any business to look at options and consider them and measure yourself against those options. We do so. As I said in my opening remarks, efficiency is one of the things that I look at, which of course is fiscal responsibility. We need to make sure that we continue to measure ourselves against other options and opportunities. I think it should be understood that we still partner with some of the SA carriers in that model. We focus our attention, within the Ornge organization—in terms of Ornge land and flight—at a higher level of care, at a critical care and advanced care level. Those other carriers work at a primary care level.

**Ms. Helena Jaczek:** Thank you. If I may just, again, refer to this quality improvement plan: This, of course,



was the first one ever produced, and I guess it's a similar situation with hospitals—our Excellent Care for All Act prescribed that this would be the way forward. I presume you are looking at the 2013/14 quality improvement act to be coming forward shortly. Would you be involved with that process, that development?

**Mr. Robert Giguere:** Yes, certainly. I'm working on it with the executive team as we build it, and I think you'll see some areas where we've enhanced our targets and so on in terms of where we're improving. Obviously, the organization has been in transition. As I say, I'm delighted to have been made a permanent part of the organization in December, and very much welcome Dr. McCallum's arrival with Ornge. I think we've got a very good team who are absolutely focused on the right things and are going to make sure that the changes that are necessary going forward to get the improvements that we all want will continue.

**Ms. Helena Jaczek:** Yes. So some targets will maybe have been changed, hopefully to the positive direction.

**Mr. Robert Giguere:** Yes.

**Ms. Helena Jaczek:** Is this a document that you use? Sometimes we just have things that are on shelves. We've heard in the line of questioning from Mr. Singh that you have this constant contact, but presumably the types of measures that you are reporting to daily or monthly all flow out of this document.

**Mr. Robert Giguere:** They all flow out of that document; everything feeds in. At the lower levels in the organization—obviously this is a high level—everything builds to this quality improvement plan.

**Ms. Helena Jaczek:** I just noticed on this appendix A to the quality improvement plan that there is a requirement to look at, basically, the patient relations process. I presume this is a satisfaction process?

**Mr. Robert Giguere:** Yes.

**Ms. Helena Jaczek:** How are you going to address that? Because, again, we want to restore confidence in Ornge, this is going to be really important going forward.

**Mr. Robert Giguere:** As I'm sure you're aware, in the last year we've hired a patient advocate who we have internally, who—of course we have our normal process of investigations and follow-up, where there are care reports and so on, but as well, now we have someone that a patient can reach out to. In fact, in some cases, the patient advocate will reach out to patients. That provides what I would describe as an improvement program as well. Our patient advocate, of course, is an integral part of our organization in the sense that any information she gleans through her activities with patients directly feeds into our program, so that we can improve what we do through surveys and through feedback from the patients that we carry.

**Ms. Helena Jaczek:** Thank you. Any more questions? We're fine.

**The Chair (Mr. Norm Miller):** Very well. Thank you, and thank you, Mr. Giguere, for coming in today.

**Mr. Robert Giguere:** Thank you very much.

## MINISTRY OF HEALTH AND LONG-TERM CARE

**The Chair (Mr. Norm Miller):** Okay. We now have Carole McKeogh, deputy director, legal services branch, Ministry of Health and Long-Term Care, coming before the committee. Welcome. Good afternoon. Just to confirm, you've received the letter for someone coming before the committee?

**Ms. Carole McKeogh:** Yes.

**The Chair (Mr. Norm Miller):** Okay, very well. And you wanted an affirmation? That's great; our Clerk will do that.

**The Clerk of the Committee (Mr. William Short):** Ms. McKeogh, could you just raise your right hand, please. Do you solemnly affirm that the evidence you shall give to this committee touching on the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth?

**Ms. Carole McKeogh:** I do.

**The Clerk of the Committee (Mr. William Short):** Thank you.

**Ms. Carole McKeogh:** Thank you.

**The Chair (Mr. Norm Miller):** Very well. We'll start with the NDP, and you should have about 17 minutes for your questioning. Go ahead.

**M<sup>me</sup> France G  linas:** Very good.

**Mr. Jagmeet Singh:** She has a statement, I believe, Chair.

**The Chair (Mr. Norm Miller):** You had stated you didn't want to do an opening statement. Is that correct?

**Ms. Carole McKeogh:** Sorry. I changed my mind.

**The Chair (Mr. Norm Miller):** Oh, you did? Okay. Please go ahead with your opening statement, then.

**Ms. Carole McKeogh:** My apologies. Thank you, Mr. Chair.

Good afternoon, members of the committee. My name is Carole McKeogh, as was mentioned, and I'm the deputy director with the legal services branch at the Ministry of Health and Long-Term Care. Thank you for this second opportunity to appear before the committee, and I am happy to provide the committee with any assistance it requires, to the best of my ability.

I would like to briefly review some points that I presented to the committee on my first appearance, and then address some corporate law issues in respect of which I understand that the committee has requested further information.

My involvement with the legal services provided by our branch to the ministry in connection with Ornge began in January 2012. At that time, I was asked to prepare an amended performance agreement between the ministry and Ornge, which was signed by both parties on March 19, 2012. I've also been involved in the development of the proposed amendments to the Ambulance Act contained in Bill 11, and I would like to discuss these proposed amendments briefly.

Bill 11, if passed, would provide the province with many of the same powers for intervention in the public



interest which currently exist for public hospitals under the Public Hospitals Act. In my view, there is a useful comparison to be made between public hospitals and Ornge. Both hospitals and Ornge are non-profit corporations. They are both charities with volunteer boards. They both provide essential health services to Ontarians and are funded almost entirely by the province.

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However, in the case of public hospitals, the legislative framework includes the power for cabinet to intervene in the governance of a hospital through the appointment of a hospital supervisor who can assume all the powers of the board and the corporation. This is viewed as an extraordinary power of intervention which exists to protect the public interest. It is a key safeguard, which has been included in the proposed legislation for Ornge. However, it is important to note that it will not be possible for the province to exercise this power of intervention, or some of the other powers contained in Bill 11, until Ornge is continued as an Ontario corporation. Currently, Ornge is incorporated under federal legislation, and I will discuss the provincial regulation of federally incorporated companies in more detail in a few minutes.

Going back to Bill 11: As in the case of public hospitals, the proposed legislation permits cabinet to appoint one or more provincial representatives to sit on the board of directors. These provincial representatives would have all the same rights and responsibilities as any other board member. As is also the case with public hospitals, the proposed legislation would permit cabinet to appoint one or more persons as special investigators where cabinet considered it in the public interest to do so.

To conclude this comparison of public hospitals and Ornge, it is essential to note that they both are not just recipients of transfer payments from the province. Given the importance of the services they provide, they are both governed by legislation. The proposed legislation will provide significant powers of intervention in the public interest with respect to Ornge, based on the model which currently exists for public hospitals under the Public Hospitals Act.

I understand that the committee wishes to receive information on the provincial regulation of federally incorporated companies, and this material is a bit dry, so I ask you to bear with me. I would like to provide the committee with a brief summary of Peter Hogg's description of the constitutional division of powers that relates to federally and provincially incorporated companies. Peter Hogg is, of course, Canada's pre-eminent constitutional law scholar.

The Constitution divides constitutional jurisdiction between the federal and provincial Parliaments. In many respects, these powers are exclusive. For example, the federal Parliament has no jurisdiction over driver licensing, and the provincial government has no jurisdiction over criminal law. However, there are many subjects that can be said to have a double aspect in which both levels of government can legitimately legislate, so

long as they do so from the perspective of their own area of constitutional jurisdiction. A good example is the provincial driver-licensing prohibition on careless driving and the similar federal criminal prohibition on dangerous driving.

With respect to company law, both levels of government are constitutionally authorized to legislate. The provincial Legislature has jurisdiction to authorize the incorporation of companies with power to operate within the province, and other provinces may authorize out-of-province companies to operate within their jurisdictions. The federal Parliament has jurisdiction to authorize the incorporation of companies with power to operate anywhere. Both levels of government have legislation for the incorporation of companies that provide for the structure, powers and capacities of these companies.

Potential companies are free to seek incorporation under either federal or provincial law, regardless of which level of government has constitutional jurisdiction over the business activities of the company. For example, a telephone company can be provincially incorporated, even though its telecommunication activities fall within federal jurisdiction, and similarly, a private school could be federally incorporated, even though its education activities fall within the province.

However, the provincial Legislature is not constitutionally authorized to impair the core aspects of the federal company law power; that is to say, to change the essential company law aspects of a federally incorporated company. For example, provincial legislation which supplants the powers of a board of directors authorized by federal company law would unconstitutionally intrude on the federal power over federally incorporated companies.

In summary, a distinction needs to be drawn between constitutional jurisdiction over the activities of federally incorporated companies and constitutional jurisdiction over the company law aspects of those companies.

Since the provision of ambulance services is within provincial jurisdiction, the provincial regulation of ambulance services applies to an ambulance service provider regardless of whether it is federally or provincially incorporated. However, in regulating ambulance services, provincial legislation may not impair the status and essential powers of a federally incorporated company or, in other words, its governance.

Bill 11 contains several provisions which could not be enforced against a federally incorporated company:

(1) cabinet's power to appoint a supervisor in the public interest who would have the exclusive right to exercise all the powers of the board of directors;

(2) cabinet's power to appoint one or more provincial representatives to sit on the board of directors and who would have all the rights and responsibilities of an elected member of the board;

(3) the minister's power to issue directives to an air ambulance service provider in the public interest where the directives would affect the governance of the federally incorporated company; and



(4) cabinet's power to enact regulations regarding the letters patent of Ornge and its bylaws insofar as these would affect governance.

How much time do I have left?

**The Chair (Mr. Norm Miller):** Two minutes.

**Mr. Frank Klees:** You can take as much time as you want. I'll give you my share of time.

**Ms. Carole McKeogh:** You're very kind; thank you. I only have about two minutes left on the subject of continuance.

Now I would like to say a few words on the legal concept of continuance, which is also somewhat dry but very brief. It is legally possible for a corporation which has been incorporated under the laws of one jurisdiction to be continued, which is the technical legal term, as if it has been incorporated under the laws of another jurisdiction. A continued corporation retains its status as a legal entity, its property and its liabilities.

In order for this to happen, there must be enabling legislation in both the exporting jurisdiction, which is where the corporation was established, and in the importing jurisdiction, which is where the corporation wishes to be continued.

Ornge was incorporated federally and is under the jurisdiction of the Canada Not-for-profit Corporations Act. This is new legislation which permits the export of federal corporations to other jurisdictions, provided that the importing jurisdiction, which in this case is Ontario, has legislation in place which mirrors the wording of the federal legislation with respect to the continuation of the corporation's property and liabilities and of causes of actions, proceedings and convictions against the corporation, all of which are maintained in continuance.

Our current Ontario Corporations Act, which is very old legislation, does not contain the mirror wording. Our new Not-for-Profit Corporations Act does contain the mirror wording but has not yet been proclaimed in force. Bill 11 contains the mirror wording required by the federal legislation, which is intended to enable Ornge to be continued as if it had been incorporated under Ontario laws.

Thank you again for this opportunity to address you. Now I would be happy to answer your questions to the best of my ability.

**The Chair (Mr. Norm Miller):** Very well; thank you. We'll go to the NDP, and you should have 14 minutes. Go ahead.

**M<sup>me</sup> France G  linas:** My head is spinning a little bit with everything that you have given us, but I think I follow the gist of what you've said. I don't know if you've followed the debate in the House, but I have never seen a piece of legislation that governs something within the health care system that gives the minister the right to change the letters patent of a not-for-profit corporation. Am I right in this?

**Ms. Carole McKeogh:** Yes, I think so.

**M<sup>me</sup> France G  linas:** So this will be the very first time that a piece of legislation that governs a health service gives the minister the right to change the letters

patent. Where does this idea come from, that we need to do that?

**Ms. Carole McKeogh:** Well, I think it's partly born out of the circumstances that preceded the introduction of the legislation. The letters patent, of course, is the key corporate governance document.

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There could be issues in the letters patent that could raise concerns. For example, if you go through the letters patent of Ornge—as it is now, currently a federal corporation—I'm just casting my mind back here, but at one point they provided that directors could receive remuneration, and that, of course, is really not possible for directors of a non-profit corporation.

**M<sup>me</sup> France G  linas:** Well, it happens at the LHINs. The LHIN directors are members of the governance. They are board of director members and they get remuneration, so—

**Ms. Carole McKeogh:** Expenses. They could get their expenses paid.

**M<sup>me</sup> France G  linas:** No, the chairs get a stipend of close to \$100,000 a year.

**Ms. Carole McKeogh:** I'm sorry; I'm not aware of that. They are governed by legislation as well.

In this case, if there were provisions in the letters patent, for example, concerning the remuneration of directors that had been set by the directors and were of concern to the ministry, then that is something that could be addressed.

**M<sup>me</sup> France G  linas:** Okay. We went through all of the different parts of what is now Bill 11, air ambulance. Where did those ideas—that those particular parts of the bill needed to be there? How did it come to be that we were going to need supervisors and appoint representatives on the board and issue directives and all the rest of this—what's the connection here? What am I missing? Why do we need this?

**Ms. Carole McKeogh:** I think the way Ornge was previously treated was largely as a transfer payment recipient. It was a very large transfer payment recipient, and there was a performance agreement in place. But with light to the services that they're providing, as I mentioned in my opening remarks, for example, contrasted with public hospitals—a very similar set-up. Hospitals are also transfer payment recipients and receive very large amounts of transfer payments. If there's a problem with just a normal, garden-variety transfer payment recipient, then you terminate funding. If they're providing a service which is important but not essential—some type of education about a disease—and there's a problem with how they're using the funds, there's a variety of remedies that are available. But when you have a service provider like public hospitals or Ornge, which are providing such critical services to the public, terminating funding is not really an option. So that's why we tended to look to the public hospital model to see: What are the remedies that are used in that legislation—rarely; very rarely—but available in case of extreme concerns?



**M<sup>me</sup> France Gélinas:** You did not touch at all on the whistle-blower protection that is in the air ambulance act.

**Ms. Carole McKeogh:** Right.

**M<sup>me</sup> France Gélinas:** Do you know anything about this?

**Ms. Carole McKeogh:** I know it's there. That is something that would be enforceable against Ornge regardless. I was sort of addressing my remarks more to the fact that it's federally incorporated and needs to move over, but those provisions would be enforceable against it regardless, even if it doesn't.

**M<sup>me</sup> France Gélinas:** Okay. So basically, there are a whole bunch of things that the government cannot do because it is incorporated federally—

**Ms. Carole McKeogh:** Right.

**M<sup>me</sup> France Gélinas:** But there are other transfer payment agencies of the Ministry of Health—we'll take hospital corporations—that are also incorporated at the federal level and have been for decades, and the ministry never said boo about changing for the last decades or moving forward. Why is it that, if it is so restrictive on the Ministry of Health, being incorporated at the federal level, because of all the things you cannot do and we need to change, but then why do we tolerate it for all of those other transfer payments at the Ministry of Health that are incorporated federally and that are under an act?

**Ms. Carole McKeogh:** Well, speaking of public hospitals, which is my particular area of practice in the time I've been at the ministry—we checked into this last year—there are only three that remain that are federally incorporated, out of 152 hospital corporations. Interestingly, there used to be more, about maybe four more. The majority of them—almost all of them—are owned and operated by religious orders, and so for some reason they tended to prefer to incorporate federally, perhaps because their religious orders were incorporated federally.

There is one other hospital, and I have a note of it here, that is incorporated federally—

**M<sup>me</sup> France Gélinas:** There are four right now, not three.

**Ms. Carole McKeogh:** Four? We found three, but there could be another one.

It is Collingwood General and Marine Hospital, incorporated by federal statute in 1887. I guess the ministry has been aware that there have been a handful of federally incorporated hospitals, and as to the reasons why the ministry would not go to them and say, "You need to be continued provincially," I can't comment on that.

**M<sup>me</sup> France Gélinas:** All right.

Coming back to the whistle-blower—one more, then my colleague will take over—you're aware that the whistle-blower protection has been put. I know that you sat in when the previous witness was there, where he explained that they already have a whistle-blower protection they have put in place. He is quite satisfied that what they have is quite robust and will serve, basically, the people of Ontario well. So what's the idea with bringing something that is of lesser quality, to be graceful, that we presently have in this bill?

**Ms. Carole McKeogh:** I don't know when the whistle-blower program was put in place at Ornge. Of course, this bill dates back to the last year. As you know, it was introduced as Bill 50. I'm not sure if there was a whistle-blower program in effect at Ornge then. This was the decision in terms of what would go in the legislation, and I can't really comment on it beyond that. Sorry.

**M<sup>me</sup> France Gélinas:** In your discussion to do everything that we're trying to do through the Air Ambulance Act, was there ever discussion at the ministry to say that maybe it's time to look at our other transfer payment agencies that are also under an act to see if there are what I call "little Ornges" out there? Has any of this been on your radar at all?

**Ms. Carole McKeogh:** Sorry. I'm not following you there.

**M<sup>me</sup> France Gélinas:** What you're trying to put in place for Ornge doesn't exist for hundreds of transfer payment agencies—the Ministry of Health does not have a supervisor appointing reps on the board, issuing directives, changing the letters patent, changing the bylaws. For most of the transfer payment agencies at the Ministry of Health, the Ministry of Health is not allowed to do that to them, but we want to do all of this to Ornge. If it is that important that it be there because of the fiasco at Ornge, why isn't it important that we do it to the hundreds of transfer payment agencies that are out there where there could be similar issues?

**Ms. Carole McKeogh:** These are very significant powers of intervention. As I said, there's sort of a spectrum in terms of government regulation and control. The vast majority of transfer payment recipients are providing services, but not the same type of essential services as are being provided by hospitals and Ornge. As I mentioned before, those transfer payment recipients are governed by performance agreements and transfer payment agreements that have different rights of notification of concern and escalation of concern and, ultimately, terminating funds. In most of those cases, that would be sufficient. These very significant powers of intervention would only be contemplated, I think, in the case of transfer payment recipients delivering such important services that the termination of funding is just really not an option.

**M<sup>me</sup> France Gélinas:** So from what you know, the government has no intention of asking other transfer payment agencies of the Ministry of Health that are incorporated at the federal level—right now, they're not asking them to come under provincial incorporation.

**Ms. Carole McKeogh:** Not that I'm aware of.

**The Chair (Mr. Norm Miller):** You have about three minutes.

**Mr. Jagmeet Singh:** Sure. Just a couple of brief areas.

I'm going to put an assertion to you—and let me know if you agree with it or not—that the way Bill 11 is crafted, would you agree that there's a shift in terms of the powers provided for in Bill 11 towards more ministerial powers, as opposed to more powers for the House at large? The decision-making is put more so in



the hands of the minister through regulatory changes. Would you agree with that?

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**Ms. Carole McKeogh:** Sorry, than the House? Than the Legislature at large?

**Mr. Jagmeet Singh:** Yes.

**Ms. Carole McKeogh:** Yes. It's a similar model, as I said, to the Public Hospitals Act, with powers vested in the minister and cabinet.

**Mr. Jagmeet Singh:** Okay. And specific to the performance agreement, the performance agreement was amended and a new performance agreement was put together, and you were part of that process. Is that correct?

**Ms. Carole McKeogh:** Yes.

**Mr. Jagmeet Singh:** And that was done under what legal authority, I guess? Was there—you didn't require a bill to be passed to be able to amend the performance agreement they created?

**Ms. Carole McKeogh:** No.

**Mr. Jagmeet Singh:** You could amend a performance agreement in a similar fashion as many times as you would like.

**Ms. Carole McKeogh:** Provided both parties agree, yes.

**Mr. Jagmeet Singh:** Right, and having a bill or not having a bill would not preclude one way or the other the ability to do that.

**Ms. Carole McKeogh:** That's right.

**Mr. Jagmeet Singh:** Okay.

**M<sup>me</sup> France G  linas:** I'm sure you have seen where a change in performance agreement or accountability agreement is resisted by a transfer payment agency. There are transfer payment agencies that are not always very happy to have to sign, but the ministry has a pretty big stick.

Come March 31, if your previous year's budget has not been signed off by the ministry, your board of directors gets pretty nervous and says, "We will sign this because we cannot continue to operate." What was so different at Ornge that they couldn't simply not sign their budget—not shut them down; just don't sign their budget until they sign? What precluded the Minister of Health to say, "We're not going to sign off on this year's budget or next year's budget until you sign the new performance agreement"?

**Ms. Carole McKeogh:** Nothing.

**M<sup>me</sup> France G  linas:** Thank you.

**The Chair (Mr. Norm Miller):** Thank you. So we'll move to the government. Ms. Jaczek?

**Ms. Helena Jaczek:** Thank you. Ms. McKeogh, I just want to pursue a little bit of the questioning from my colleagues from the NDP. You know that there are four federally incorporated hospitals; we now know. You, I understand from your preamble, are specifically the legal counsel looking at public hospitals. Does your supervisor know that there are four federally incorporated hospitals where the minister cannot, and cabinet cannot, appoint a supervisor? Who else knows?

**Ms. Carole McKeogh:** Yes. I think it's pretty well known throughout the ministry.

**Ms. Helena Jaczek:** You wouldn't have maybe taken it on yourself to give some advice to say, "Should we not do something about this?"

**Ms. Carole McKeogh:** I apologize, but that would be solicitor-client privileged, my advice to the ministry.

**Ms. Helena Jaczek:** I see. Okay. I guess we'll just leave that. It just seems to the layperson somewhat extraordinary that becoming aware of a situation like this, you wouldn't want to create order out of potential chaos, and you might want some consistency. Anyway, I will leave that.

Mr. Singh has talked a lot about the potential to have a performance agreement signed by two parties and perhaps a lack of need for Bill 11. Can you explain to us why we need Bill 11? What are the additional provisions in Bill 11 that are necessary in order for the ministry to be satisfied as to the activities related to patient safety and taxpayer protection at Ornge?

**Ms. Carole McKeogh:** I'm happy to do that. I think Bill 11 contains a number of provisions which are intended to strengthen the oversight over Ornge and the minister's and the government's power to intervene. As I mentioned in my opening remarks, the minister or cabinet may appoint one or more provincial representatives to sit on the board of directors, and these persons would have all the powers of a board member. This is a power which is contained in the Public Hospitals Act and rarely exercised, but it is a very useful power if the government wishes to have a presence on the board of directors. The power of the minister to issue directives to the air ambulance service provider is significant. A power of cabinet to appoint special investigators where it's considered in the public interest to do so—the range of matters that the investigators may look into and their powers are significant.

There is frequent reference in this legislation to the public interest, as there is in the Public Hospitals Act. There's a section that deals with making a decision in the public interest, and it indicates that the "Lieutenant Governor in Council or the minister ... may consider any matter they regard as relevant, including"—the factors are listed:

"(a) the quality of the administration and management of the designated air ambulance service provider;

"(b) the proper management of the health care system in general;

"(c) the availability of financial resources....

"(d) the accessibility of air ambulance services in the province; and

"(e) the quality of the care and treatment provided by the designated air ambulance service provider."

The public interest test is very broad and gives the government a broad range of matters to consider. The appointment of a supervisor is, as I've mentioned, an extraordinary power of intervention. As you know, public hospitals have been around for a long, long time—since the late 1800s. The first Public Hospitals Act was around



1931, but it wasn't until 1981 that amendments were brought in with respect to investigators and supervisors. The appointment of investigators—from 1981, we're talking however many years that is; 30-odd years—has only occurred under 20 times. It's viewed as being very significant and rarely exercised, but there have been cases where cabinet has considered it to be the appropriate step to take.

Of course, there's the whistle-blowing protection which Madame Gélinas has mentioned, and the continuation provision which I mentioned, as well. There are also extensive regulation-making powers. These are some of the provisions that would be beneficial that are included in Bill 11.

**Ms. Helena Jaczek:** Just to follow up a little bit on the whistle-blower, the independent ethics officer, I believe—is that the term? This service is being monitored by a legal firm, Grant Thornton. Is that correct?

**Ms. Carole McKeogh:** I'm not familiar with the particulars of what they have in place at Ornge. I'm sorry. I seem to remember hearing that as well.

**Ms. Helena Jaczek:** So that isn't specified in the act, that this is the way it will be done, through an independent—

**Ms. Carole McKeogh:** No, they've created their own whistle-blowing regime, as Madame Gélinas indicated.

**Ms. Helena Jaczek:** Is there a provision in the performance agreement for Ornge to report on the subsequent investigations, subsequent to this independent ethics officer approaching Ornge and saying, "There has been a report of this particular problem. I want you to investigate"? Does that information ever come back to the ministry? Is that required in the performance agreement?

**Ms. Carole McKeogh:** No, there are no specific provisions in the performance agreement about that.

**Ms. Helena Jaczek:** So there would be a possibility that the ministry would be unaware of how many whistle-blower complaints there have been?

**Ms. Carole McKeogh:** The performance agreement does provide that Ornge shall provide any further information required by the ministry, so if that were something the ministry needed to know, that would be something they could ask for.

**Ms. Helena Jaczek:** They could ask for and then receive?

**Ms. Carole McKeogh:** Yes.

**Ms. Helena Jaczek:** I see. Okay, thank you.

**The Chair (Mr. Norm Miller):** Ms. Jaczek, just to clarify on your question where you asked and Ms. McKeogh cited solicitor-client privilege: The information that was sent to all people coming before the committee notes that witnesses must answer all questions the committee puts to them. "A witness may object to a question asked by an individual committee member. However, if the committee agrees that the question be put to the witness, he or she is obliged to reply, even if the information is self-incriminatory, is subject to solicitor-client or another privilege, or on other grounds that might justify a

refusal to respond in a court of law." Many other presenters and witnesses—this has been waived with them. So if you do wish to receive an answer to your question, you can—

**Ms. Helena Jaczek:** Yes, I would wish to receive an answer. I would like to know who else, or your supervisor—who did you report this anomaly to, that there are four public hospitals that are federally incorporated and therefore not subject to the full powers of the minister to appoint a supervisor?

**Ms. Carole McKeogh:** With all respect, since it is solicitor-client privileged legal advice, I would need to have the entire committee require me to answer, I believe.

**The Chair (Mr. Norm Miller):** Okay. Is it the decision of the committee to require an answer?

*Interjections.*

**Interjection:** We could do it in camera, though.

**Ms. Carole McKeogh:** And I would ask that it be in camera.

**The Chair (Mr. Norm Miller):** It's up to the committee.

*Interjections.*

**The Chair (Mr. Norm Miller):** So there is agreement that we get an answer?

**Ms. Helena Jaczek:** Can we recess for some consideration?

**The Chair (Mr. Norm Miller):** Certainly we can recess. We'll take a five-minute recess.

*The committee recessed from 1441 to 1446.*

**The Chair (Mr. Norm Miller):** Okay, we reconvene the committee. Yes, Ms. Jaczek.

**Ms. Helena Jaczek:** I would request that we respect solicitor-client privilege to the extent that Ms. McKeogh answer in camera.

**The Chair (Mr. Norm Miller):** Okay. Is that agreed by the committee, that we get this in camera?

**M<sup>me</sup> France Gélinas:** No.

**The Chair (Mr. Norm Miller):** No? Okay. In this case, if there's not agreement we need a motion to that effect.

**Ms. Helena Jaczek:** I would so move that we move in camera to hear the response from Ms. McKeogh.

**The Chair (Mr. Norm Miller):** Okay. Any comments? Mr. Klees.

**Mr. Frank Klees:** I just think, Chair, that it's an important question. This is not giving away a state secret. This is who knew what and when. That's what this is about—who had advice. So I would ask you to call the question.

**The Chair (Mr. Norm Miller):** Any further debate? Okay. Those in favour of the motion to move in camera? Those opposed? We have a tie, so I must confer with the Clerk on this question.

**Mr. Shafiq Qaadri:** Chair, if I might just say, it is my understanding that it's the Chair's responsibility to protect the witness.



**The Chair (Mr. Norm Miller):** I'm not listening to your advice, Mr. Qadri, but I will vote in favour of the motion. So we shall go in camera.

*The committee continued in camera from 1447 to 1455.*

**The Chair (Mr. Norm Miller):** We're back in open session, and we'll move to the opposition. Mr. Klees.

**Mr. Frank Klees:** Thank you. Just for clarification, before we went in camera, I think on the record we said that there were four hospitals that were federally incorporated. It turns out that there are obviously more hospitals implicated here, because you indicated that the Salvation Army is one of them. How many hospitals under the Salvation Army umbrella does that include now?

**Ms. Carole McKeogh:** I think it's only the Salvation Army Toronto Grace Health Centre.

**Mr. Frank Klees:** So there is just one.

**Ms. Carole McKeogh:** Just the one, yes.

**Mr. Frank Klees:** We don't have the time to pursue this to any depth, but one of the concerns that has been raised is that we can have as many performance agreements as we want, and you can paper it all you want. At the end of the day, if the provisions are not enforced by the minister, or by the deputy minister, or by the civil service who have the responsibility to ensure that that accountability and the oversight is actually exercised upon, what does it all mean?

**Ms. Carole McKeogh:** Agreed.

**Mr. Frank Klees:** It means nothing, right?

**Ms. Carole McKeogh:** Agreed. Yes.

**Mr. Frank Klees:** Is there anything—and perhaps you can give this some thought and get back to the committee—in terms of what could be done to build some accountability measures into this performance agreement that would provide some motivation, if I can put it that

way, for the minister, the deputy minister, those within the Ministry of Health who have that oversight responsibility, to comply and to actually do what they're being asked to do?

**Ms. Carole McKeogh:** I'd have to think about that, Mr. Klees.

**Mr. Frank Klees:** Please do.

**Ms. Carole McKeogh:** Thank you.

**Mr. Frank Klees:** Because I think that the new enhanced performance agreement, without that, just gives us more paper and just simply leaves us open to the next minister or the next deputy or the next assistant deputy to simply ignore it and not do what they're asked to do and what they really have to do in order to enforce that agreement. Those are my comments.

**The Chair (Mr. Norm Miller):** Any comment at all? Okay. Then I believe we are done. Thank you very much for coming in today. It's appreciated.

**Mr. Frank Klees:** Chair, could we ask research to follow up with Ms. McKeogh on this question? It's a very serious question.

**Mr. Ray McLellan:** I was just going to ask—I didn't hear well enough to—

**Mr. Frank Klees:** She said she would think about it.

**Ms. Carole McKeogh:** No, I don't have a response to that.

**Mr. Ray McLellan:** So if I followed up, there wouldn't be a response?

**Ms. Carole McKeogh:** You're following up with me? That's fine.

*Interjection.*

**Ms. Carole McKeogh:** I'll try.

**Mr. Ray McLellan:** Okay. I wasn't clear.

**The Chair (Mr. Norm Miller):** Okay; very good. We're adjourned.

*The committee adjourned at 1458.*











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ISSN 1180-4327

## Legislative Assembly of Ontario

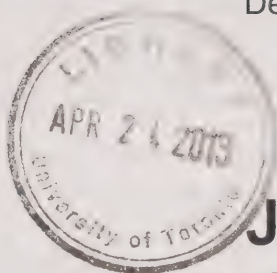
Second Session, 40<sup>th</sup> Parliament

## Assemblée législative de l'Ontario

Deuxième session, 40<sup>e</sup> législature

# Official Report of Debates (Hansard)

Wednesday 10 April 2013



# Journal des débats (Hansard)

Mercredi 10 avril 2013

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Related Services

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## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES  
COMPTES PUBLICS

Wednesday 10 April 2013

Mercredi 10 avril 2013

*The committee met at 0830 in room 151.*

## COMMITTEE BUSINESS

**The Chair (Mr. Norm Miller):** I'd like to call this meeting to order, and begin by welcoming Deputy Auditor General Gary Peall, who's sitting in with the meeting today, and also Lorraine Luski, who's filling in for Ray McLellan, who apparently is under the weather today. Welcome, Lorraine.

There is a pile of documents before you, and that is: There's a response from Carole McKeogh to the inquiry from Mr. Klees; that's one of them. There are two legislative research documents; there are three responses from the Ministry of Finance; and then the rather large bundle, of which there's one per caucus, is the latest Ornge bank statements for your information.

We're going to begin this morning with a motion which Mr. Klees will move. Mr. Klees?

**Mr. Frank Klees:** Thank you, Chair.

I move that the Auditor General of Ontario commence an immediate review of the Ontario Lottery and Gaming Corporation (herein referred to as the "corporation") into the following:

1. Whether the corporation has employed or is employing a clear, consistent and transparent process for tendering, contracting and planning for any and all new or proposed casinos, gaming facilities, bingo halls, online gaming and lotteries throughout Ontario;

2. Whether the host-city-payment formulas for casinos or other gaming facilities are clear, consistent and transparent across the province and whether any special, secret or one-off deals are being negotiated between different municipalities for different reasons;

3. Whether provincial or local revenue projections and local economic impact assessments for new casinos and other gaming facilities have been undertaken and are clear, fair and transparent;

4. Whether the province and/or the corporation has adequately taken into consideration community impacts on mental health and/or addiction matters related to the implementation of the new "modernization plan";

5. Whether the impact of cancelling the Slots at Race-tracks Program on Ontario's horse racing industry was measured and whether certain communities have been impacted disproportionately as compared to other communities and if the Liberal government's decision to end

the program will be offset by the changes in the new modernization plan;

6. Whether the province or the corporation properly consulted or consulted various industries, businesses and municipalities impacted by the cancellation of the Slots at Racetracks Program, and did the province or the corporation assess the economic impact on said industries, businesses and municipalities and factor that into their decision(s); and,

7. The province or the corporation has conducted a broad enough consultation process to ascertain whether or not new casinos are welcome in various communities throughout Ontario.

**The Chair (Mr. Norm Miller):** Thank you, and I believe the Auditor General would like to make a comment before we start that discussion.

**Mr. Jim McCarter:** Yes, just a couple of comments for the committee to take into context in their discussion of this: a couple revolve around the wording. One of the things we noticed: I know initially when we were discussing this—I'm aware of the private member's motion in the House. The focus is on the proposed casinos, the gaming facilities and the racetrack issue. This motion would take us, really, into everything that lottery does: the bingo halls, which is really part of alcohol and gaming; it would take us into the online gaming and all the lotteries throughout Ontario. That would expand the scope of the work fairly significantly. I just want the committee to be aware that if the bingo halls, the online gaming and the lotteries were in there, it would take us longer to do the work. But I would leave that to the committee's decision.

The only other thing I would mention in the wording of the motion is, for us to go into all the municipalities and try to ferret out any special, secret or one-off deals, that would also be—how could I put this?—challenging to do and would be time-consuming. Again, whatever the committee directs us to do, we will do. I just put that on the floor, that those two items would impact how much time it would take us to do the work.

I notice in the wording of the motion, it does talk about commencing an "immediate" review. As the committee knows, we're currently undertaking two specials right now. We're doing the Oakville power plant and we're also doing the work at ONTC, the divestiture at ONTC. Our plate is fairly full right now. If the committee wanted us to start this immediately—I guess the



best way to put it is, the way things are now, given the summer workload that we have, wrapping up all of our value-for-money audits and the two specials that we have, unless the committee wanted those deferred, which I doubt, we'd probably start this up in the early fall as opposed to immediately.

If the committee's strong preference was that we do start this up immediately, just to advise the committee, what we would do is we would actually cancel one of our ongoing value-for-money—well, “cancel” is maybe the wrong word. What we'd have to do is postpone one of the value-for-money audits that we've got going right now that we would be reporting in December 2013. I think what we would do is we would basically stop that audit, and to start this up immediately, we would have to defer reporting that audit until 2014—if the committee wanted us to start that immediately.

**The Chair (Mr. Norm Miller):** Thank you.

Frank, did you have some initial comments?

**Mr. Frank Klees:** Yes. Auditor, thank you for that. You know, there's a reason that we've included both the online as well as the lotteries. I understand the additional work that would be involved here, but I think this is incredibly important. It goes to, really, the core of what is happening, from our perspective, behind the scenes. There's such a lack of transparency to what is going on here, and the seeds of doubt have been planted. I think it's our responsibility as a committee to ensure that we get to the bottom of what really is there. If our concerns are unfounded, then that really is what we would expect you to confirm for us.

In terms of the urgency, for the reasons that I have just indicated, we certainly believe that this is something, Auditor, that should be taken on immediately. As much as we don't like to interfere with the momentum of your work, we do think that because of the timeliness of this issue, it's something that should be clarified.

That would be our position, Chair, and I look forward to comments from other people.

**Mr. Jim McCarter:** Maybe I could just advise the members too that under section 17 of the Audit Act, while we shall perform special assignments, such special assignments shall not take precedence over our regular duties. So to be honest, we could say we're not going to start it up until the early fall anyway under section 17, but I think if the committee wants us to start this up immediately, I just want to advise the committee of what we'd do. We would start it up immediately and we would just postpone—we would pull out one of our current value-for-money audits. We would do it, but we would report it a year later.

**Mr. Frank Klees:** We appreciate that, and that's why I leaked to the press that you're deferring your retirement as well.

**Mr. Jim McCarter:** Hopefully there's no press in the room today, as I look around.

**Mr. Frank Klees:** Thank you.

**The Chair (Mr. Norm Miller):** Thank you. I do have a list of people who want to speak, starting off with Mr. Barrett.

**Mr. Toby Barrett:** Thank you, Chair. Just further to this, my perspective as an elected representative—and that goes for those of us on both sides of this table—just specifically with section 5 of this motion, the impact on certain communities. I represent a rural area, and what's reflected in my rural community—for example, there's something like 960,000 horses across Canada, well over 200,000 in Ontario. Some 45,000 horses are active in the horse racing sector alone, 58% in the province of Ontario. Over the last 14 years, Ontario's horse industry has grown to be a world-class industry. There's 60,000 people employed—or at last count; there's dramatically fewer now, I'm afraid, in some parts of the industry.

0840

We're world class. Last year, my son and I spent some time in Kentucky; we attended opening day at Keeneland. That's coming up in another week or two, I think. Down there, they know about the Ontario horse racing industry. Just further up the road—I think it's Interstate 75—there's the Kentucky Horse Park. For years, they've had a bronze statue of Northern Dancer. These are thoroughbred horses, not standard bred. Last year the Kentucky Derby was won by a Canadian horse called I'll Have Another. At the recent London Olympics, my riding of Haldimand–Norfolk had a representative. It was a horse called Exponential that did very well in the Olympics.

I'm just putting this out as an elected representative. We know how busy this committee is. I know we deal with numbers. But as an elected representative, the horse alone and the industry it supports are very significant, but there's also what I see as an elected guy: the emotional part of that.

I recently saw the film *War Horse*. When I talk to people about that film—that was derived from the play *War Horse*. It's something that is very important to a large number of people in Ontario, emotionally, economically and socially.

**The Chair (Mr. Norm Miller):** Ms. MacLeod.

**Ms. Lisa MacLeod:** I want to welcome the auditor for coming. I know I've been a bit of a burr in his saddle for the last several months. I deployed my own war horses Bob Runciman and Norm Sterling on him on a couple of occasions after the House supported my motion to have the auditor review not only the Slots at Racetracks Program but also OLG's expansive gaming.

For a number of reasons, I have some very serious concerns about the OLG. Many people know I've spent a lot of time talking about fiscal conservatism and accountability. I get worried when I see that OLG lost \$45 million at three of its casinos in 2010—in their annual report—at Windsor and Niagara. I think that the taxpayers of this province deserve to know how that money is being spent.

I've made no bones about the fact that I support the people of my community of Nepean–Carleton, particularly those at Rideau Carleton Raceway. I know my colleagues the two members from the city of Ottawa have people who are interested in preserving the Rideau



Carleton Raceway. That's 1,000 local jobs in our community, but it's also the horseman in Navan who is feeding hay in to the farmers, or it's the big animal veterinarian in Russell who may not live in my riding but requires that the racetrack is there. I'm really concerned about the job losses that OLG is going to bring upon my community and others if there are no deals, and the uncertainty that that has brought.

I've made no secret of the fact of my great disdain for the OLG's expansion plans because of its impact on mental health and addictions. I had the experience growing up in Nova Scotia to see that expansion occur in that province, to see what toll it takes on families and communities. I don't want that to happen in the great Ontario.

Of course, I would have to be putting lots of cotton batting in my ears to ignore the concerns raised by not only the horse racing community but others with respect to the bingo halls and the expansion by a certain group in the province on the bingo halls. Those folks, of course—and I know others may want to expound on that. My colleagues from Lambton–Kent–Middlesex and Essex may also want to bring up the fact that we're very concerned that there might be something that this province may not exactly appreciate there. Again, I think it's really important that we continue with this motion in its entirety for those reasons.

Just one other thing I'd like to say with respect to the speculation in the bingo halls: Right now, a lot of those are done for charitable purposes. I really don't know if the province of Ontario wants to allow charities to be overtaken by a private company when those charities are helping us do work that needs to be done in our local communities, and at the same time help millionaires make a little bit more money.

And just one final point on horse racing—and I just want to acknowledge my friend Paula Peroni from Sudbury, who is here. She's been a real champion of her racetrack in Sudbury. And, of course, Brian Tropea, who is here on behalf of OHHA.

Horse racing in this province does more than just run horses around a track. It is Wyatt McWilliams of Navan, who keeps his farm because he provides the hay and that helps him pay the bills.

It is my friend Garry McDonald, who came from Newfoundland to set up his life in Ontario and started a business, as he continued to train and race, and who could lose his home.

It is the Ontario equestrian association, which is able to have some of the best equestrian competitors in the world go to the Olympics because our horse racing industry helps subsidize that industry, whether that's from the volume of our horses in the horse racing industry, on feed, on big animal veterinarians, on horseshoes.

There is a widespread impact on OLG's decision that was put forward by the Liberal government, a government that didn't explore the problems and the challenges that our communities were going to face; other industries, how they're going to face it; how municipalities are

going to deal with a major employer leaving their community.

You cannot put in front of this House in an omnibus budget, in a budget that dealt with several other issues, the destruction of an entire industry in one rural community after another across this province.

There's a great economic impact. I would say it's probably a multi-billion-dollar problem that we have in this province. It will impact tens of thousands of people. It will slaughter 13,000 horses. It will bring casinos into downtown communities across this province where people do not want them, where health experts tell us there will be challenges.

I will make no apologies for opposing OLG's expansion plans, and I remain as committed to having the auditor review them as I did last August—when this House backed my call for that.

I want to, first of all, thank my colleagues in the Ontario PC caucus, and I'd like to thank the members of the NDP caucus who have supported us, and I would like to thank the members of the Liberal caucus who stood up with us because they knew that this was wrong.

Auditor, I think it is important that this is done. This radical shift in gaming has not only financial impacts but it has health and addictions impacts as well. That needs to be reviewed, otherwise this assembly would not be doing its job.

Thank you very much.

**The Chair (Mr. Norm Miller):** Mr. McNaughton?

**Mr. Monte McNaughton:** Great; thank you very much. I welcome the auditor to this committee as well.

I would like to speak in support of this motion that my colleague Mr. Klees has brought forward. I was asked 13 months ago to take on the issue of horse racing on behalf of our caucus. I proudly visited many communities across this province and almost every racetrack in this province within those 13 months.

After listening to people across the province, we know—it's been very well publicized—that 60,000 people work in Ontario's horse racing industry. Near the riding and in the riding I represent, Lambton–Kent–Middlesex, there are 13,000 people who work in the horse racing industry, in southwestern Ontario—a very important part of the economy of rural Ontario and the economy of Ontario in general.

In April, I introduced a referendum bill that was passed in the House, first reading and second reading, supported by the PCs and the NDP as well, including six Liberals who supported my bill. The reason why I introduced my bill is because I was seeing how the OLG was unveiling their modernization plans. Everything is being done under a veil of secrecy in this province. They've pitted community against community. They've divided municipal councils across this province.

**0850**

We've seen recently two problems with the government's approach and the OLG's approach to this modernization: first, a couple of weeks ago, when the government was caught with the OLG making secret deals to



the city of Toronto. In fact, one figure that was used was that Toronto was going to get \$50 million in hosting fees. Under that formula back then, in order for the city of Toronto to get \$50 million, that one casino would have to have more people gaming there and more sales and more slot revenue than the entire Las Vegas strip. So it was just impossible. They're throwing out figures and, again, doing everything under a veil of secrecy.

Secondly, as some newspapers were reporting a few weeks ago, the OLG is now paying international companies to bid on their lottery business. This is a part of the OLG's business that makes billions of dollars. In the free market, you don't pay companies to bid on businesses. So those are two examples of the problems that are happening with this modernization.

I think, more than anything, that the devastating impact on Ontario's horse racing industry has to be just the most important focus of this review. It has just been devastating for these families and for the businesses involved. I've heard so many stories of the personal tragedies of people just not knowing what they're going to do in the future. The race calendar isn't even set yet for 2013, so I think that's devastating.

I'll leave it at that and just thank you for being here today and for reviewing this.

**The Chair (Mr. Norm Miller):** Ms. Jaczek?

**Ms. Helena Jaczek:** Thank you. Being relatively new to public accounts, I just wanted to ask the Auditor General a little bit more about the scope of this. In your introductory remarks, you had alluded to the fact that this obviously goes beyond the OLG. In terms of your mandate, is conducting an audit such as Mr. Klees is proposing with this motion something that is within your mandate, or is it unusual? Have you often done things like this?

**Mr. Jim McCarter:** I think I would say that it's probably within my mandate. The other thing I would say, too, is that when the public accounts committee expressly directs me to look into something, I would probably take the view that it would have to be clearly, clearly black and white outside my mandate for me not to do it. So my sense is that when I get a direction from the Standing Committee on Public Accounts, quite frankly, I would probably move heaven and earth to try to comply with that specific direction.

The only reason I mention these other items is that I just wanted the committee to be aware that some of these things would extend the scope of our work and it would take us extra time. As you can see, this is quite a comprehensive motion, and it would take us a fair bit of time to do. But having said that, as I indicated, we will do our utmost, even if it means deferring one of our ongoing audits, to start this up immediately, given that the motion says "immediate."

My intention was just to make sure that the committee was fully informed of the impact that it would have on our office. But having said that, should the motion pass, we will do the work, to the best of our ability, as set out in the motion.

**Ms. Helena Jaczek:** Right. Looking particularly at the motion—and I'm looking at section 4, which is certainly something that is of great interest to me in terms of the impact on mental health. In my previous life as a public health physician, this is something that certainly concerned me. I'm wondering: Could you give us an idea of how you would explore that particular provision?

**Mr. Jim McCarter:** There's certainly some judgment involved because of the words "has adequately." I suspect, to some extent, it would be a little bit in the eye of the beholder, as is much of the work that we do, as far as: Did they adequately take into consideration? We would look to see, basically: Had they done any research? Had they looked into any best practices? Had they looked into what other jurisdictions had found? Had they done some homework to see whether there was any impact?

I think the OLG probably does recognize that there is a downside to casinos and gaming. They do have programs in place. I'm certainly familiar with the casino; they have some programs in place. So I think essentially what we would do is look at that and say, "Did you do your homework in that area, and was that taken into consideration?"

Ultimately, the board of directors approves things. It's also very important to me, in looking at this: Were these various factors communicated to the board of directors, so when they made the decision, they were making a fully informed decision? Those would be some of the things that I would be looking at.

Having said that, it's a little bit in the eye of the beholder, what is "adequately." But those would be some of the things that we would expect to see when we went into the OLG and looked at that particular area.

**Ms. Helena Jaczek:** So I suppose for number 7, there would be a similar difficulty, perhaps, a judgment call on what is "broad enough."

**Mr. Jim McCarter:** In a number of these things clearly there would be some judgment involved. Again, it would be up to us. Sometimes, doing a lot of our audits now, we do engage some outside expertise in a particular area, and this could be something on which we might engage some outside expertise. Generally, we try to engage that expertise outside the province, very often in the United States, so we make sure it's independent. Sometimes we bring that sort of expertise to bear, too, where you're getting into issues of a "broad enough" consultation: Was it adequate?

I also notice the words "consulted" or "properly consulted." Again, when you're getting into some of those things, there is some judgment that is going to have to be applied when we're assessing that.

Again, we do try to be reasonable. What's reasonable in the circumstance? I mean, you can consult forever, but then things would take forever to get done.

We would be trying to bring a balanced perspective when we're looking at that. In the report, I think we would lay out, "Here's what our conclusion was; here's what they did," and sort of, "Here's our rationale" on



why we feel either it was enough, was reasonable, or, quite frankly, we felt it was inadequate.

**Ms. Helena Jaczek:** Certainly from our perspective, from the government side, we are just as interested in a number of these questions as the two opposition parties are. But we would like to actually add a couple of provisions as well, so whenever you feel it appropriate, we could suggest some additions to the motion.

*Interjection.*

**The Chair (Mr. Norm Miller):** We'll debate the main motion and then, if you want to make an amendment to it—

**Ms. Helena Jaczek:** I know the Clerk knows how these things are done. If that's the correct way, thank you, Chair.

**The Chair (Mr. Norm Miller):** Okay. Mr. Natyshak?

**Mr. Taras Natyshak:** Thank you very much, Chair, and thank you, Mr. McCarter, for your counsel on explaining what the scope of this motion would mean to your office.

But I would echo the sentiments by Mr. Klees in terms of the sensitive nature of what this motion would deliver in terms of information, as well as the need for immediacy, to get on to it right away. One of the reasons is that some of the answers that we anticipate out of this motion have never been given. The rationale for dismantling the Slots at Racetracks Program has never been provided to the Legislature. We've never had an economic impact study. We really don't have any answers.

The current modernization plan is being done under cloak of secrecy, and deliberations are happening in private. Not to add to your workload, but I will be proposing two amendments to the motion that I believe actually should be quite easy for you to obtain or ascertain, given the amount of data that I think you'll compile while looking into the other sections of the motion.

Chair, with your indulgence, I'll move my amendments to the motion right now.

**The Chair (Mr. Norm Miller):** We have one more person who wants to speak to the main motion; then we'll deal with the amendments.

**Mr. Taras Natyshak:** Okay, very good. Thank you very much.

**The Chair (Mr. Norm Miller):** I'll come back to you for the amendments.

**Mr. Taras Natyshak:** Sounds good.

**The Chair (Mr. Norm Miller):** Very well. Mr. Clark?

**Mr. Steve Clark:** Thanks very much, Chair. Thank you for giving me an opportunity. I appreciate the fact that there will be a number of amendments put forward.

I just want to say I appreciate the comments from Mr. McCarter. I think we made, as a Legislature, even in a minority situation, a very clear mandate, both with the support from Mr. Natyshak's motion and the support for Ms. MacLeod's motion, that information, as is in this motion by Mr. Klees, is so important for the committee to discuss.

I'm very concerned about the OLG modernization, not just because of my close proximity to Ms. MacLeod's riding and the Rideau Carleton Raceway and the impact on the horse racing industry within Leeds and Grenville, but also this ridiculous pitting of community against community that I'm facing in my riding, in our existing casino, Thousand Islands. To me, it's mind-boggling that a government would extract a casino from one community with a clear 10-year record and move it into another community that 10 years ago had no interest in gaming whatsoever.

0900

I just don't understand how we got to this point. I think we had a clear indication from all parties with Ms. MacLeod's motion that we wanted the Auditor General to look at this. I think it was very clear last week with Mr. Natyshak's motion, and I do believe that all three parties should put their cards on the table—no pun intended—and let's move on. Thank you.

**The Chair (Mr. Norm Miller):** Thank you. Mr. McNeely?

**Mr. Phil McNeely:** Thank you, Chair. One of the concerns I had with the presentation that was made by the member from the riding that has the Rideau Carleton in it—that's certainly somewhere over the last 50 years where I've left a little bit of cash, and I've enjoyed that in our community; it used to be in my riding.

When you come in with that information—there has been a lot that happened since that started. There was a three-person committee; Wilkinson was one of them, but there were two others on it. We've had some agreements made with certain racetracks. I think bringing this in at this time is—we need more background to see if this takes over what the Auditor General is doing when we have so many important things to do. We're right in the middle of several projects that he has undertaken. I'd like to see the background, because the information I heard is not where we are today. We should be looking at that three-member committee. We should be looking at what has happened since then. We should be discussing what's going to happen. I think this is the wrong time to bring this motion in. You take the major issue off the newspapers and you have a new job for the Auditor General. I don't think that's the proper way to go, and I would certainly think it's premature to make any decisions on this today.

As my cohort here said, we would be making amendments to it if that's the direction where it goes, but let's have more time to see where we are today. It seems to be around racetracks, a very important industry in this province, one that I've certainly supported on many evenings. But let's get up to date on where we're at. Let's not have these figures coming out—the mental health thing will be coming out. Let's look at it carefully and give the members of this committee time to see if this is a priority. Is it a priority for the province right now? My comments are that it's premature. We have to look at it, and we'll want time to look at amendments to this if it does proceed. I think that to take it to that stage this



morning is not the proper way to go. It's a complex problem, and we've got a mishmash here. It's got enough work for you that you may have to come back from retirement for two or three years to get through all the elements of this. My comments are that I don't think we should be making a rash decision to change your workload at this stage. Let's have some time to look at this.

**The Chair (Mr. Norm Miller):** Ms. Gélinas.

**M<sup>me</sup> France Gélinas:** I will agree that time is of the essence, but I press the auditor to move on this as quickly as he can. He has put forward scenarios where he would be able to do this work, and maybe that would mean that one of your scheduled audits would be postponed until next year.

I can tell you that I have a racetrack in Nickel Belt. I see the for-sale signs going up on so many of the farms in Nickel Belt. Part of the riding where the racetrack is has a flourishing agricultural industry because of the horses. It is hard to grow anything but hay in Nickel Belt because of where we are geographically. If there are no horses, who will eat the hay? It makes it really, really difficult to sustain agriculture once the racetrack is gone. When I hear Mr. McNeely talk about their having deals—there is no agreement for northern Ontario. There will be no more horse racing in northern Ontario.

Time is of the essence. I have at least 200 families that have come to me. Those families have little kids; they have mortgages; they have car payments; and they don't have jobs anymore. To me, this is of essence. As my colleague said, we do not have answers as to why. What is the monetary impact of this decision? And you are an independent third party that people trust. If you come back to us and show us that this is a good financial deal, nobody will argue with your findings, because we trust your office.

Right now, what we have, I agree, is a mishmash of information. Some of it is factual; some of it we can't find where it comes from. But in reality, you have real people with real jobs, with real families, with real payments to face who suddenly don't have a job because there won't be racing in northern Ontario anymore because we haven't got one of those agreements. But we are living the consequences of it. So when the motion says, have some "communities been impacted disproportionately as compared to" others by those decisions, please do come to Nickel Belt and see the impact that this is having on the economic viability of Nickel Belt. We trust that you're able to do this.

I was listening very intently when you talked about how we're putting more and more on your plate. I'm cognizant of this, but I'm also cognizant—I've been on public accounts long enough to know the quality of the information you gave back to us. All this put together, if it is the wish of the committee that this motion move forward, and it certainly is my wish, I hope that you will do it as fast as possible. We need those answers if it is to help us turn the page or help this province go in a completely different direction, if need be. I trust that you're able to give us those factual answers.

**The Chair (Mr. Norm Miller):** Just to bring to the committee's attention that at 9:15 we do have a witness scheduled from the Ministry of Health and Long-Term Care and the Ministry of Finance to deal with the confidential documents and discuss that, so the committee has a choice. Remember that this afternoon we are going to be making a site visit to Ornge, so we won't be able to continue the discussion and various amendments on this motion this afternoon. The option would be that we keep talking and perhaps have a vote before 10:25 or we defer this discussion and continue it next Wednesday.

**Mr. Frank Klees:** Chair, I would suggest that we continue this discussion. I believe there are some amendments that we should be considering and we should get on with that. We apologize to the representative from the ministry, but I think that we can always ask him to come back.

**The Chair (Mr. Norm Miller):** Okay. Seeing as we will continue the debate then, Ms. Damerla.

**Ms. Dipika Damerla:** Actually, I was rather hoping that we could discuss this later and listen to the witness, who has obviously scheduled his or her time to come here, but that's up to the majority of the committee. We can always continue with this discussion later. I don't see the point of making somebody who's here go back and make them come back. That's my view.

On the other issue, I did want to add to what Mr. McNeely was saying, which was that a lot of these changes have been just given to us this morning and we'd like some more time to deliberate and add our own changes. I'm not entirely sure what the rush is that this needs to be finished this morning and we need to reschedule the witnesses, why this cannot be taken up at the next time we said. I'm just wondering why this has to be taken into consideration this minute, why we can't deliberate on this more, why we can't stick to the schedule and listen to the witnesses who are going to come forward, and do a more thorough, I guess, examination of exactly what you want and the changes we'd like so that we can all talk about this and then figure out a way forward.

**The Chair (Mr. Norm Miller):** Ms. Jaczek?

**Ms. Helena Jaczek:** Yes. I would say I find it easier to concentrate on one thing at a time and we're talking about this motion, so I'm happy to continue to do that.

0910

Just in terms of my own riding, Oak Ridges–Markham, we have a thriving horse industry and, just like many members of this committee, I've heard loud and clear about what the changes potentially can mean. As Mr. McNeely has said, of course, we've taken a number of mitigation measures.

What we would like to add—and I guess, again, it's a little bit within the scope, but as the Auditor General has clearly said, if it's the desire of the committee, he would be prepared to address the issue. We all know that we're in a deficit situation, that we have a fiscal imperative to, obviously, balance the budget and to cope with that situation.



One of the areas that we would like to explore further is the fact that—was cancelling the Slots at Racetracks Program a sound public policy, given that the government's fiscal plan is to balance the budget by 2017-18? I understand the opposition parties are in accord with that desire to balance the budget, so we would like to expand the mandate and the scope of this motion to ask the auditor whether he can judge—

*Interjection.*

**Ms. Helena Jaczek:** We will be getting it in writing. I don't know if it's the formal time to make that; I was just wanting to add to the discussion, again, in terms of the Auditor General—

**The Chair (Mr. Norm Miller):** Sure, but to save time, perhaps you could get someone working on writing it up?

**Ms. Helena Jaczek:** We are.

**The Chair (Mr. Norm Miller):** Then we'll continue the discussion.

**Ms. Helena Jaczek:** Yes, absolutely.

**The Chair (Mr. Norm Miller):** Okay, very good.

Mr. McNaughton?

**Mr. Monte McNaughton:** Just for clarity: It's important that we proceed. I actually take offence to what my colleague across the aisle said. We're pushing for transparency here. There are secret deals going on all across the province. We know there was a secret deal with the city of Toronto for their casino. The government got caught. We started asking questions in question period. They got caught; they backed off of that deal. Now they're back to the drawing board.

This whole modernization, as I said originally, is being done under a veil of secrecy. It's no way to run a government organization. We know, because of previous reports from the Auditor General, that there have been problems with this organization over the last 10 years.

Secondly, the reason why it's important that we proceed is because there are 60,000 jobs at risk in Ontario because of the government's decision to pull the carpet out from under the horse racing industry. There was no consultation. The government could have sat down a year and a half or two years ago, and they could have come to some sort of agreement with the horse racing industry, so 60,000 people could continue to work.

I take great offence to what I feel is some government members trying to stonewall here and delay this. It's important that we proceed as quickly as possible and support this motion.

**The Chair (Mr. Norm Miller):** Thank you.

Mr. Natyshak, you had said you were going to be moving some amendments. Have you got those ready?

**Mr. Taras Natyshak:** Yes, sure. I do, yes.

**The Chair (Mr. Norm Miller):** Okay.

**Mr. Taras Natyshak:** Shall I provide them to the Clerk?

**The Chair (Mr. Norm Miller):** Not quite yet. I just wanted to make sure you had them.

**Mr. Taras Natyshak:** I'm ready to go when you are, Chair.

**The Chair (Mr. Norm Miller):** Ms. MacLeod?

**Ms. Lisa MacLeod:** I just wanted to say, very quickly, that I agree entirely with my colleague Mr. McNaughton, who is our critic for this issue. Back in August, this assembly supported the idea that the Auditor General should review the OLG's plans, to make sure that this multi-billion dollar shift in gaming was going to be in the best interests of the province.

We are now eight months later, and we have lost valuable time. For the members opposite to try to delay this any further, I think, is a disservice to the constituents—not only in rural Ontario, to be very clear, who are dealing with the horse racing industry, but people who are from downtown Ottawa, downtown Toronto or downtown Windsor who have these concerns as well. We owe it to them. We know, for example, that in some cities, like in Toronto, they've had a lot of conversations, they've had a lot of consultation and they've had a lot of meetings. In Ottawa, we didn't have that, which was why I also asked the Ombudsman to come in.

This rapid-fire approach by the OLG has lacked in consistency. It has been aided and abetted by this Liberal government for quite some time. This Liberal government has had this motion for two weeks, so I don't know how much more they need to deliberate on this. Quite frankly, I'd like to see us put in place this motion immediately so that the Auditor General can get to his very important work so we can finally, as members of this assembly, have answers on this radical shift in gaming—because it will not only impact our economy; it will impact our society. I think it is important that the people of this province have their say.

I might also say that I know that there are two other members from Ottawa here today, and I'm quite surprised that they're not supporting this motion. I'm quite surprised that they're not in support of the Rideau Carleton Raceway and I'm quite surprised that they have not defended the city of Ottawa at all because, as you know, in this motion that was put forward by my colleague Mr. Klees, we talk about the compensation and the arrangements with municipalities if they were to host a casino, and it is very clear that our council and our mayor have been concerned about that as well.

I think in terms of those formulas, it is important that we have that discussion, it is important that we have the auditor review them and it is important that we get answers. We do not have time to delay; in fact, it is my opinion that we are eight months too late. We are in desperate need of getting answers out of OLG and the government. I would encourage all members to support Mr. Klees's motion, and I look forward to hearing any reasonable amendments that may come forward.

**The Chair (Mr. Norm Miller):** Ms. Damerla.

**Ms. Dipika Damerla:** I just wanted to say that I don't think anybody in this room is against 60,000 or 70,000 jobs. All we were saying is, we've just received this this morning. What I saw last night and what I see this morning are different, so we are just pleading for some time. But to twist that into suggesting that somebody



doesn't care about jobs is, I think, a stretch, and I just wanted that on the record.

**The Chair (Mr. Norm Miller):** Ms. Jaczek.

**Ms. Helena Jaczek:** I'm finding this discussion very interesting. Certainly from our perspective, there's no attempt here at stonewalling. I'm just as eager to get to hear from the Auditor General on a number of these issues as are all members. I think public accounts is one of the places where we can work in the public interest, and that's how the Auditor General helps us with that.

One of the things that I've heard in my riding—and I'm sure many others have—is the whole issue of: Could we not simply restore the Slots at Racetracks Program? So again, one of our amendments—and we are getting them put together now, because the discussion has been helpful to lead us into new avenues—

**Mr. Frank Klees:** Chair, on a point of order.

**Ms. Helena Jaczek:** —is that the Auditor General would look at potentially the cost of restoring the Slots at Racetracks Program. That will be one of our amendments.

**Mr. Frank Klees:** Chair, if I might, it's very clear that the government members are ragging the puck here, and it's unfortunate. I think we should allow the amendments to be tabled so that we can call the question.

**Mr. Phil McNeely:** I think, Chair, that most of that time has been taken up by the other two parties—

**The Chair (Mr. Norm Miller):** Mr. McNeely, you have the floor. Go ahead.

**Mr. Phil McNeely:** —and I think a proper discussion of this whole thing—one thing I'd like to ask the Auditor General is: A good part of this is a consultative process. Is that within your jurisdiction or is that something that you normally get involved in? It seems to be a mishmash of too many things in here that can properly be handled under this. What are your comments on that?

**Mr. Jim McCarter:** My sense on this one is, if the committee directs me and requests me and says to me, "Auditor, it would be helpful for us to have information on a specific issue such as, 'Was a consultation—do you feel it was adequate?'", we would endeavour to assess what sort of consultation process they did do and we would try to compare it, possibly, to other jurisdictions. So again, we would endeavour to provide an assessment to the committee on that, at least of our perspective, keeping in mind that it is somewhat of a judgmental issue—what type of a consultation process; how much is enough.

Having said that, I think the intent of this wording would be clear to me. The committee would just like to have, kind of, "What's the auditor's perspective on, was a consultation process undertaken, and, in the auditor's view, does he feel it was reasonable?", not if it was perfect. So if that's the wish of the committee, I think we would endeavour, Mr. McNeely.

**Mr. Phil McNeely:** But it is a process that is not "was"; it is a process that "is" ongoing. So to me, how far ahead of issues can you get?

I'm sympathetic to the job loss in the rural community because in Orléans, I'm going through the same thing. The federal government has made a decision; 15,000 jobs in Orléans will be lost because the jobs will be taken from the downtown of Ottawa out to Kanata, 10,000 DND people, but with all the additional—so I'm sympathetic to that, because jobs are extremely important. I like what Ms. Jaczek said earlier, the last statement she made about looking at this further. I think that is ongoing.

I'm just wondering—we're going to need more time to make sure that this is a constructive thing. I am not convinced that it is properly worded. I think that we're going to need time to make those amendments.

**The Chair (Mr. Norm Miller):** Mr. Natyshak.

**Mr. Taras Natyshak:** Thank you, Chair. You're fully aware that there are amendments on the table, so I'd like to get through that process and then we can continue the debate. Therefore, I move—

**The Chair (Mr. Norm Miller):** Just to be clear, when Ms. Jaczek had the floor initially, I should have let her move her amendment at that point. We'll do it in the order that they were raised, so we'll move to Ms. Jaczek. She has now got her motions in writing, and we'll get her to move it and distribute. Ms. Jaczek.

**Ms. Helena Jaczek:** I'll just wait till everyone has their copy.

If I may, Mr. Chair:

I move that Mr. Klees's motion be amended to include the following two paragraphs:

"That the Auditor General of Ontario's review of the Ontario Lottery and Gaming Corporation include an analysis of whether the cancellation of the Slots at Racetracks Program was a sound public policy decision given the government's fiscal plan to balance the budget by 2017-18;

"And an assessment of what would be the cumulative four-year cost of reintroducing the Slots at Racetracks Program as previously constituted."

**The Chair (Mr. Norm Miller):** Mr. Klees.

**Mr. Frank Klees:** Chair, obviously we'll look to the Auditor General, but this amendment relates to a policy matter, and I believe that is totally out of the scope of the work that the Auditor General can be called upon to do.

**The Chair (Mr. Norm Miller):** Mr. McCarter?

**Mr. Jim McCarter:** Normally we try to be very non-partisan, as you're aware, and not comment on a particular policy decision, so this could be problematic. I think, though, the intent of the motion is that you're looking for some information on kind of the overall fiscal impact. I think we could provide some information on what underlying analysis—I think I heard the term "business plan" or "business case"—was there: How rigorous was it with respect to the fiscal impact? I think we could go there and provide some information.

I would be a bit reluctant to comment on whether a government policy was good or bad. Generally, we try to shy away from commenting specifically on public policy. We could provide some information and look into the whole fiscal impact, but as far as falling down and



saying, “Yes, it was a good public policy,” or no, that would probably be something that we would be a bit reluctant to venture into.

**Ms. Helena Jaczek:** So perhaps the wording could be changed somewhat to say “include an analysis of whether the cancellation of the Slots at Racetracks Program”—what the fiscal impact was.

**Mr. Jim McCarter:** Something along those lines, I think, would be easier for us to deal with.

**Ms. Helena Jaczek:** Yes.

**The Chair (Mr. Norm Miller):** So we’ll need to take a recess to fix the wording.

**Ms. Helena Jaczek:** Yes, I think we should.

**The Chair (Mr. Norm Miller):** We’ll take a five-minute recess.

**Ms. Helena Jaczek:** Maybe 10?

**The Chair (Mr. Norm Miller):** A 10-minute recess?

**Ms. Lisa MacLeod:** No way.

*Interjections.*

**The Chair (Mr. Norm Miller):** Okay, five minutes. A five-minute recess.

*The committee recessed from 0923 to 0933.*

**The Chair (Mr. Norm Miller):** Okay, so we’ll get going again. The first motion, we determined, was out of order. Ms. Jaczek, do you want to move the revised amendment?

**Ms. Helena Jaczek:** I move that Mr. Klees’s motion be amended to include the following two paragraphs:

“That the Auditor General of Ontario’s review of the Ontario Lottery and Gaming Corporation include an analysis of the fiscal impact of the cancellation of the Slots at Racetracks Program given the plan to balance the budget by 2017-18.

“And an assessment of what would be the cumulative four-year cost of reintroducing the Slots at Racetracks Program as previously constituted.”

**The Chair (Mr. Norm Miller):** Ms. Gélinas.

**M<sup>me</sup> France Gélinas:** I call the question.

**The Chair (Mr. Norm Miller):** Anyone else wish to debate this amendment? No. Okay. All in favour? All opposed?

**M<sup>me</sup> France Gélinas:** I would like a recorded vote.

**The Chair (Mr. Norm Miller):** You needed to ask for that before we actually voted.

It’s a tie vote, and as the Chair, I’ll maintain the status quo, which means I will vote against the amendment. It’s defeated.

Mr. Natyshak, you have an amendment you want to move. Has it been distributed yet? Is it okay to distribute?

**Mr. Taras Natyshak:** Yes, it is.

**The Chair (Mr. Norm Miller):** Okay, it’s being distributed. Mr. Natyshak, we’ll just wait for it to be distributed, and then you can read it.

Go ahead, Mr. Natyshak.

**Mr. Taras Natyshak:** Thank you, Chair. I move that Mr. Klees’s motion be amended by adding the following items, which would be:

“8. Whether there has been any money allocated by the OLG to promote and advertise the privatization of the OLG.

“9. That the business interests of all senior management of the OLG, including all directors, the chair and the president and CEO, be reviewed immediately in order to assess if a conflict of interest exists with the plan to privatize OLG.”

I would ask for a recorded vote.

**The Chair (Mr. Norm Miller):** First of all we’ll have debate. Mr. Klees—Auditor, did you want to make any comment on this?

**Mr. Jim McCarter:** No.

**Mr. Frank Klees:** Chair, please call the question.

**The Chair (Mr. Norm Miller):** Okay, any further debate? A recorded vote, then. All those—

### Ayes

Barrett, Gélinas, Klees, Natyshak.

### Nays

Crack, Damerla, Jaczek, McNeely.

**The Chair (Mr. Norm Miller):** It’s a tie vote. I vote to maintain the status quo. I vote against the amendment, so it’s defeated.

So we’re back on the main motion. Further debate on the main motion? No further debate? I shall call the question on the main motion. All those in favour?

**M<sup>me</sup> France Gélinas:** Recorded vote.

### Ayes

Barrett, Crack, Damerla, Gélinas, Jaczek, Klees, McNeely, Natyshak.

**The Chair (Mr. Norm Miller):** Okay, it’s carried. Very well. We still have time. We have to revert to—

**Mr. Frank Klees:** Chair, could I just get a clarification?

**The Chair (Mr. Norm Miller):** Yes, Mr. Klees.

**Mr. Frank Klees:** Now that the motion has been passed, the auditor heard the discussion regarding the sense of urgency that the committee has for this. Could we just get clarification then from the auditor as to the timing that the committee would expect that his work would begin on this and approximately when—I realize it’s—

**Mr. Jim McCarter:** I can probably be fairly specific as to when our work would begin. I would say we would probably be advising the ministry that we’re currently doing the VFM for that we’re going to postpone it by a year. I think we’d be giving them the good news within this week. I think we would pull the team off and start our planning work on this and contact the OLGC to let them know that we’re coming in within a week’s time, Mr. Klees.

With respect to when we would finish it, I have to be honest, it’s quite a comprehensive motion, and I think I’d like to do a little bit of homework in the office and talk to the OLG just to get some idea of how long it would take. This is a fairly extensive motion and I think we would certainly be looking at—my best guess would be that the



earliest would probably be towards the end of 2013. This looks like it could easily be six to nine months to complete. This is a fair bit of work, Mr. Klees, especially because we're getting into the bingos and some of the other things.

**Mr. Frank Klees:** If I might, is there a possibility, Auditor, that you might be able to structure this in such a way that there may be interim reports that you could provide to the committee?

**Mr. Jim McCarter:** I think I would need to go back and talk to my staff to see if that would be possible. The one thing that I am mulling over is, it seems to be that the whole issue of—I'm not putting words into the committee's minds, but the whole issue of the racetracks seems to be of interest. I was just chatting with the deputy auditor, Mr. Peall, about possibly us, in doing it—possibly splitting it up. So I'd have to take that under advisement; that might be possible. But as far as reporting—at the most, maybe two reports. I certainly wouldn't want to get into a situation where we'd say we'd be issuing a separate report on every single question. I'm not sure that that would be an efficient way to tackle this assignment. But as to whether there might be a way of—just off the top of my head, perhaps the racetrack issue—perhaps issuing something sooner and the rest coming later, but I'd really have to mull that over and have a discussion in the office about that option.

0940

**Mr. Frank Klees:** Okay. That really was the purpose of my question. I think the racetracks, as you put it, is an urgent matter for a number of reasons, and if there was a way to stage the report that would allow us to see a report relating to the racetracks specifically in advance, that would be very helpful.

**Mr. Jim McCarter:** I would comment, though, that if I was to compare it, say, to the work that we're doing on either the Oakville or the Mississauga plant, again, all of our work is at the OPA; it's a very single issue. Even doing the racetracks, it's been made apparent that we would generally go out and visit a number of communities, and just the extent of that work does take time, Mr. Klees, because it is a regional type effort. We would really want to go out and—when you're looking into whether people were properly consulted, you really need to go out and talk to the stakeholders, and that does take time, in comparison, say, to something like the gas plant audit.

**Mr. Frank Klees:** Thank you.

**The Chair (Mr. Norm Miller):** Thank you.

SPECIAL REPORT, AUDITOR GENERAL:  
ORNGE AIR AMBULANCE AND RELATED  
SERVICES

MINISTRY OF THE ATTORNEY GENERAL

**The Chair (Mr. Norm Miller):** Now I'd like to invite Mr. Tom McKinlay, counsel, crown law office, to come forward.

Welcome, Mr. McKinlay. I understand you're going to be affirmed, so I will ask the Clerk to do the affirmation.

**The Clerk of the Committee (Mr. William Short):** Mr. McKinlay, if you could just raise your right hand. Do you solemnly affirm that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth?

**Mr. Tom McKinlay:** I do.

**The Clerk of the Committee (Mr. William Short):** Thank you.

**The Chair (Mr. Norm Miller):** Thank you. I believe you have 10 minutes to start with, and then we'll have questions amongst the three parties. Thank you.

**Mr. Tom McKinlay:** Thank you very much, Mr. Chair, and good morning, members of the committee. As the Chair indicated, my name is Tom McKinlay, and I'm a lawyer with the crown law office, civil, at the Ministry of the Attorney General. In that role, I provide advice on a wide variety of legal matters, including solicitor-client privilege.

I understand that the committee has been provided with records that are subject to solicitor-client privilege in this case, along with records that are subject to a variety of statutory confidentiality provisions. I've been advised that the committee is now in the process of considering how to deal with these records as these hearings go forward, and I'm here to answer any questions that the committee might have in respect of solicitor-client privilege. To assist in that, I've prepared a short opening statement that I'd like to share with you now.

I'm going to talk, essentially, about three things: first, what solicitor-client privilege is; second, why solicitor-client privilege is important; and then, finally, I was hoping to discuss the kinds of safeguards that legislative committees have implemented in past cases in order to deal with concerns about solicitor-client privilege.

I'd also like to table with the committee a legal opinion that was prepared by former Supreme Court Justice the Honourable Ian Binnie. I've given copies of the paper to the Clerk, and I believe he's provided them to you. Mr. Binnie's paper addresses all three of the issues that I was hoping to discuss today, and I thought that it might be of some assistance to you. To be clear, I am not offering the paper in any way to direct the committee in its consideration of these issues, but simply to assist in your deliberations.

As I'm going to discuss further, it's ultimately your decision whether or not to disclose privileged and confidential records in this case. That decision involves a weighing of the public benefit associated with disclosure against the important public interest in the confidentiality of privileged records. I'm here today in response to the committee's request to help you understand how the unique features of solicitor-client privilege may inform your consideration of these two competing public interests.

What is solicitor-client privilege? Solicitor-client privilege is the rule that guarantees the confidentiality of



communications made by a client with his or her lawyer. It's one of the oldest and most well-established principles of the common law. In the last decade, the Supreme Court has elevated solicitor-client privilege to the status of a quasi-constitutional right, and the court has also incorporated privilege as a principle of fundamental justice protected by section 7 of the Canadian Charter of Rights and Freedoms.

Canadian courts have been clear that solicitor-client privilege must be as close to absolute as possible. It ordinarily does not yield to or require any balancing of competing public interests. Rather, it is generally accepted that the public interest is ultimately best served by maintaining the confidentiality and integrity of the solicitor-client relationship. What all that means is that, subject to very rare exceptions, neither clients nor their lawyers are normally required to disclose privileged communications in court proceedings, criminal investigations or any other legal proceeding.

In that respect, I would also note that the Supreme Court has clearly and consistently held that solicitor-client privilege applies with equal force to the communications between lawyers in the government and their in-house clients. There is no difference between legal advice that government lawyers provide to the government and legal advice that private sector lawyers provide to their private clients.

So why have Canadian courts attached so much significance to solicitor-client communications? The rule is not intended to benefit lawyers or even, ultimately, the private interests of their clients. Solicitor-client privilege is based on the public interest in ensuring the fair administration of justice. In order for the law to work, it has to be fair and it also has to be seen to be fair, and fairness requires that people be in a position to understand in advance the nature and scope of their legal rights and obligations.

However, the difficulty is that the law can be quite complex, and it's accepted that people need to be able to consult with lawyers before making these kinds of decisions, and in order to properly advise their clients, lawyers need access to all the facts, including good and bad facts. So for this reason, solicitor-client privilege depends upon complete honesty and trust between the client and his or her lawyer, and that relationship of trust depends on the guarantee of absolute confidentiality that privilege affords over everything that's said between them. Without that guarantee, clients might not speak openly with their lawyers, and lawyers couldn't get all the information they need to advise them. This would deprive the client of the benefit of effective advice and representation, and ultimately make the justice system unfair.

Consequently, Canadian courts have accepted that solicitor-client privilege is a rule that extends beyond the private interests of the parties and is essential to the workings of the legal system. Again, I'd emphasize that these considerations apply with equal force in the case of advice provided by government lawyers. Like all civil

servants, government lawyers are politically neutral and non-partisan. In addition, we owe the same professional duty of loyalty to our clients as any other lawyer. For both of these reasons, we're obligated to provide candid and objective legal advice to our clients, even where that advice may be at odds with the policy objectives of the government of the day. Our ability to do this could be undermined without solicitor-client privilege. Government decision-makers, like other clients, might be reluctant to seek timely advice or to seek advice at all, and government lawyers might themselves be less willing to deliver candid and objective legal advice, for fear that it might come back to embarrass their clients. Both of these outcomes would inevitably have a detrimental impact on the quality of the legal advice that's available to government, and this is especially problematic in the case of government decision-makers who need to ensure that their actions are in accordance with the rule of law.

Moving on, then, to the safeguards that legislative committees have implemented in past cases in response to concerns about privilege, I'd note again at the outset that there's no question that this committee has the right to see government records that are otherwise subject to solicitor-client privilege. In fact, I understand that the Ministries of Health and Finance have already provided the committee with these records in this case. However, I think it's worth emphasizing that the committee's power to compel the disclosure of this kind of material is unique in our democratic system. As I previously stated, except in very rare cases, courts and other tribunals have no ability to compel clients or their lawyers to disclose privileged communications.

It's also up to this committee to decide whether or not to disclose these records to the public, in this case. However, I would respectfully submit that this is a significant decision. The committee's determination about how it's going to deal with privileged records in this case will create an important precedent. That precedent may impact the current and future governments in Ontario and the relationship of trust that currently exists between the government and its lawyers.

In his paper, Mr. Binnie talks about a number of past instances where, in response to these kinds of concerns, legislative committees have implemented safeguards designed to respect the confidentiality of privileged and other records. Based on these examples, Mr. Binnie concludes that while the Legislative Assembly and its committees clearly have the power to compel the production of this material, that right is not normally enforced without first endeavouring to find an accommodation with the government. He also suggests that this long-standing tradition promotes orderly government and the public interest.

Mr. Binnie notes that this view is reflected in the recent ruling of federal Speaker Milliken in the Afghan detainee case and the very recent ruling of Ontario Speaker Levac in September of last year. In both of those instances, the Speakers emphasized the long-standing parliamentary tradition of political parties working



together to devise procedures to protect the confidentiality of privileged and other records disclosed to committees.

The examples discussed by Mr. Binnie in his paper offer a number of illustrations of the kinds of mechanisms that have been implemented in these cases, and they include:

- holding part of the committee's hearings in camera rather than in public so that the committee may consider privileged records in private;

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- striking a subcommittee or other inter-party process to privately review privileged records and make recommendations;

- retaining independent legal counsel to advise the committee on questions that may arise in connection with its consideration of these records; and, finally,

- appointing neutral arbitrators or third parties to undertake public-interest reviews on privileged records on the committee's behalf.

While we would, of course, respectfully request that the committee initially review any privileged records in camera in this case, I'd emphasize again that this is ultimately up to the committee. However, it's worth recognizing that the issue that I would suggest you need to consider is not whether the public interest requires the disclosure of these records to the committee. As I've said, that has already happened, and the committee is entitled to consider these records in performing its important functions. The issue is really whether there is some further public interest to be advanced by making the contents of privileged communications available to the public and whether that interest outweighs the important public interest in maintaining the confidentiality of privilege generally. That's a more difficult issue, and that's what I think the committee needs to consider.

Before concluding, I'd note that some of the confidential records that have been provided in this case are not privileged but, rather, the subject of statutory confidentiality provisions. These records include sensitive personal information, including health and tax information. Given the time available to me today, I haven't focused on those records, but I would note that legislative committees have also traditionally worked together to protect the confidentiality of sensitive personal information.

Those are my comments. I'd like to thank you again for the opportunity of appearing today. I'd be happy to do my best to answer any questions you may have.

**The Chair (Mr. Norm Miller):** Very well. We'll start with the opposition. You have about 10 minutes, I would estimate, for your questions.

**Mr. Frank Klees:** Thank you for that lesson. I often struggle with the fact that the government is the client of a lawyer. When I see documentation that's exchanged between counsel within ministries and the minister's office or a deputy's office, and I see the cautions that are raised by the lawyer as to what not to say, because it may lead to certain implications or because too much may be said, the question that I'm left with is, how do you

balance the issue of transparency and, if I can use the term, honesty with the role that a lawyer plays within government?

We see that currently, especially with the gas plant files, and you're involved in that. I see your name on quite a number of emails where caution is given as to responses that are being provided to inquiries. Those responses then are vetted by legal counsel and sanitized, if I can put it that way.

I'd like you to just comment on kind of the bigger issue here of what expectations the ultimate client, who is really the public, can expect of legal counsel who is being paid by their tax dollars. Could you just comment on that?

I don't know if I'm making myself clear, but even those of us here in this committee ask for information and then, because of the internal machinations of the correspondence that takes place, there is a firewall between the committee—and ultimately the public—and what's really going on in the halls of government.

**Mr. Tom McKinlay:** So first, I guess I'd say that I'm not sure that I would agree with the characterization of sanitizing communications. I think that when communications material is being prepared and lawyers are being consulted, we bring a certain perspective. We're just one of many groups in government who weigh in on communications. We weigh in for a specific purpose, and that's to provide legal advice. For example, we will frequently flag issues around sub judice, where communications possibly could comment on ongoing legal proceedings that are before the courts, or defamation—or could reveal personal information, and also could reveal privileged communications. So we tend to flag those legal concerns, and we send those concerns back. It's up to the client at that point to decide how to communicate with the public based on the advice we provide.

**Mr. Frank Klees:** Can I ask you this? Obviously, legal counsel within ministries is aware of the issues of the day and the political sensitivities of those issues. If legal counsel is asked for an opinion, especially if it's asked for that opinion by a committee of the Legislature, can we expect that that opinion would not be tainted by a sense of perhaps wanting to protect the minister or the government of the day? To what degree can the minister expect that a legal opinion will be given that would provide a shield to a minister as opposed to that legal opinion being objective?

**Mr. Tom McKinlay:** Again, as I pointed out, our obligation as lawyers for the government and as civil servants is to give objective and accurate legal advice. In my own work, when I'm providing legal advice, regardless of who that advice may be going to, I always do my very best to give the best advice that I can.

**Mr. Frank Klees:** I'd like to take advantage of the fact that you're here. I've read your resumé, and it's very extensive. This committee requested an opinion from the Ministry of Health, and ultimately it was delivered by Carole McKeogh, the deputy director of the legal services branch. Are you familiar with her?



**Mr. Tom McKinlay:** I am, yes.

**Mr. Frank Klees:** Okay. And have you ever been consulted by her for legal advice or comment on any issue?

**Mr. Tom McKinlay:** I may have. I've certainly given legal advice to health.

**Mr. Frank Klees:** The specific issue that the committee had an interest in was whether or not the Minister of Health had the authority to intervene at Ornge. You're familiar with the Ornge file, I'm assuming.

**Mr. Tom McKinlay:** Yes.

**Mr. Frank Klees:** Have you ever been called on to provide any advice related to the Ornge file?

**Mr. Tom McKinlay:** I haven't ever been called on to provide any significant advice. I haven't been, as I say, significantly involved in that. It's possible that I was copied on some email related to Ornge at some point, but I haven't given any significant advice.

**Mr. Frank Klees:** Repeatedly, the minister insisted to this committee and publicly that she had no authority to intervene at Ornge because of its structure. Yet the performance agreement specifically makes reference to the Health Facilities Special Orders Act, which it is subject to. We asked for a legal opinion as to whether or not the minister could have intervened as a result of that act. We got a legal opinion from Ms. McKeogh that states very clearly that the minister did not. In fact, as she goes through her report and states repeatedly—I'm going to read into the record the first paragraph. That really sets out the context of this, for your benefit. Actually, I have copies, Clerk, of the act itself, if we want to distribute it, and certainly provide a copy of that to the witness. I'll just read—

**Mr. Tom McKinlay:** Mr. Klees, I'm sorry. Can I just ask quickly, is this a legal opinion that was provided to the committee, or was it a legal opinion that was prepared in connection with this matter that was subsequently disclosed to the committee?

**Mr. Frank Klees:** It was provided to the committee by Ms. McKeogh.

**Mr. Tom McKinlay:** Okay, so it was prepared for the committee—

**Mr. Frank Klees:** Yes.

**Mr. Tom McKinlay:** —and provided exclusively for that purpose?

**Mr. Frank Klees:** That's right.

**Mr. Tom McKinlay:** Okay.

**The Chair (Mr. Norm Miller):** You have a couple of minutes left, Mr. Klees.

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**Mr. Frank Klees:** In the opinion, Ms. McKeogh stated very clearly that, unlike the Public Hospitals Act, this act does not authorize intervention based on a public interest test, which would include concerns regarding governance and financial management. She goes on to say it does not authorize the appointment of a supervisor and so on.

However, upon reading the act itself, under section 2.2, which is on page 2 of the act—I draw your attention

to that. That section states clearly that the purposes of this act are, "To enable the Minister to act expeditiously where the conduct of a licensee or of an officer or director of a corporate licensee affords reasonable grounds for belief that the health facility"—which under definition includes an ambulance service—"is not being or is not likely to be operated with competence, honesty, integrity and concern for the health and safety of persons served by the health facility."

I don't know how this could be read in any other way, knowing the context of Ornge, that the minister would not have had authority to intervene here. Yet Ms. McKeogh, in her opinion, makes no reference whatsoever to that entire section that gives that kind of authorization to the minister to intervene.

I would ask, if you could—and we'll provide you with a copy of the opinion as well that was given to this committee—help us square this in terms of how someone with legal responsibility could provide that opinion, given the reality of the act that we have before us. Could we ask you to do that?

**Mr. Tom McKinlay:** I'm happy to look at the opinion if you want, but I'm at a bit of a disadvantage. As I've said, I haven't had any significant involvement in Ornge. This act and health regulation generally is not something I know very much about, to be frank, and I'm not really sure I'd be able to offer any view as to the content of the opinion for that reason. I'd have to take it back and think about the issue.

As you can imagine, these kinds of statutory interpretation issues can be quite complex. It wouldn't be easy for me to provide you right now with an on-the-spot opinion on this sort of complicated question.

**The Chair (Mr. Norm Miller):** You are out of time, Mr. Klees.

I should remind the committee that Mr. McKinlay was invited to give advice on how to handle the vast amount of confidential information we've been given and also some of the other documents as well.

We'll move now to the NDP. Ms. Gélinas.

**M<sup>me</sup> France Gélinas:** Thank you so much, Mr. McKinlay. I tried to understand as best I could what you were saying this morning. I have no legal background. But you did make a very interesting point that says this committee is able to compel the disclosure of documents that in any other part of law that you talk about would not be allowed to be compelled. I realize that this is an important power that this committee has, and I'm curious to see, how come we have this power?

**Mr. Tom McKinlay:** Well, for a number of reasons: mainly because the Legislative Assembly and through its committees is entitled to enquire into any matter that it deems to be in the public interest. In doing so, it has long been held that Parliament or the provincial Legislatures need to have an absolute authority to access any material that they need in order to fulfill that function.

**M<sup>me</sup> France Gélinas:** Okay. I sort of understand it better when a member of the public hires a lawyer; they should be able to trust one another, and they should be



able to talk. It's not as clear to me when it is the government that retains a lawyer.

You work for the public service. The government can share with you bits and parts of what they want you to hear. How is this a relationship of trust when—I have no doubt that, on the civil servant side, you give it everything you have and you are trustworthy. I have more doubts about your client that may not be as trustworthy as the good people who work in the public service—not that they would deceive you, but more that they would only give you part of the information.

How is this issue of trust different when you deal with the government versus what I think I understand a little bit better, which is when somebody needs legal advice and goes to see a lawyer?

**Mr. Tom McKinlay:** In principle, the relationship is identical, as I said. I mean, we're just lawyers. The government employs us directly in-house because, to be honest, that's the most cost-effective way for them to obtain the amount of legal advice that they need. The government needs a lot of legal advice, as you can imagine, because of its activities in many areas, and so it's very efficient to employ counsel directly rather than to retain law firms on one-off issues.

With respect to the question you've asked about clients disclosing the facts to us, it's always better for the client to disclose as much information as possible, because that allows us to provide the best advice that we possibly can. But the concern that you flag isn't unique to government. I mean, any client may omit facts. Before I joined the government, I spent several years working for a large firm, and we advised corporate clients. With corporations, large institutions like government, you'd struggle with that issue as well. So it's certainly not unique to government.

**M<sup>me</sup> France G  linas:** Okay. Coming back to this unique power that we have as a committee of the Legislature to compel disclosure, does every Parliament in Canada have the same power?

**Mr. Tom McKinlay:** Yes. The federal Parliament and then the provincial Legislatures all have the same ability to do this.

**M<sup>me</sup> France G  linas:** Okay. You give us examples, as in the Afghan detainees etc., where the committee decided to use and also decided to disclose. Some of it was disclosed; some of it was not.

When a committee of the Legislature—and I don't know if you've done the research, but I'm hoping—compels the disclosure of documents, because of its unique power, and has decided to make the second decision to disclose to the public, have there been repercussions to this, where we saw a grave negative outcome because of it?

**Mr. Tom McKinlay:** Because in all of those instances, the committee implemented safeguards to ensure that there was as limited a disclosure of any confidential information as possible—and for the most part, very little confidential information seems to have been disclosed—I think we didn't see that kind of grave consequence. But

had the committees chosen not to implement those safeguards, it might have been a different result.

**M<sup>me</sup> France G  linas:** Of the safeguards that are available to us, do you have a ranking as to what's the best one and what's the worst?

**Mr. Tom McKinlay:** It's not like a best-to-worst situation, really. I think the key is, all of the different mechanisms they've used allowed the committee to consider the privileged material and then to determine, sort of on a case-by-case basis, whether individual records really needed to be disclosed in the public interest.

Again, I come back to—I mean, you already have all the records, so to the extent that the committee needs to review that material, that's open to you. But then disclosing that privileged material to the public is another level. Ideally, the safeguards are designed to allow the committee to turn its mind to that question in private and to make an informed and thoughtful determination of which records go out.

**M<sup>me</sup> France G  linas:** Okay. I will put a scenario forward to you that we have used at public accounts before, where we've dealt—I'm not sure if it was sensitive personal information or if it was privileged communication, because I'm not a lawyer and I don't always understand the difference between the two.

We had documents in front of us; we got access to them. The Clerk has this information and will allow people to see the information if requested. But we did not post that information on the website; we did not make that information available on a search engine or anything like this. So is this the type of safeguard that you're talking about?

**Mr. Tom McKinlay:** When you say that they allowed people to see the information, you mean members of the public could come in and look at the records, but they just weren't available online?

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**M<sup>me</sup> France G  linas:** They actually had to go request from the Clerk and had to go to the Clerk's office to see those documents, and those documents were only available to the people who went to the trouble. You're not allowed to make a copy, you're not allowed to leave with it, you're not allowed to do anything, but you're allowed to go into the Clerk's office and know that those records exist and that those records are available through a protocol through the Clerk's office.

**Mr. Tom McKinlay:** I guess the one problem I flag with that sort of approach is that it actually doesn't provide an opportunity for the committee to think about whether individual records should be available. It depends simply on members of the public coming in and looking at them for themselves. So as I said, I think that sort of public interest balancing needs to be undertaken on the basis of what is in a document. I don't know that that kind of safeguard would actually protect it in the way I've outlined it already.

**M<sup>me</sup> France G  linas:** Okay. I'm good for now.

**The Chair (Mr. Norm Miller):** For clarification on your point, I believe just members of the committee with



their staff in attendance were the only people allowed to look at those documents, with the Clerk there in attendance.

**Mr. Tom McKinlay:** Oh, I see. So if it wasn't—

**The Chair (Mr. Norm Miller):** It wasn't the general public, no. It was just members of the committee, and they could bring a staff member in, with the Clerk there as well.

**M<sup>me</sup> France Gélinas:** But remember, there was a whistle-blower; we requested some personal information from that whistle-blower. Do you remember what I'm talking about? I don't want to say it because we've never made those documents public.

**The Clerk of the Committee (Mr. William Short):** No. Right.

**M<sup>me</sup> France Gélinas:** Okay. So we all have them, because I have them in my office. But—okay. I understand. Thank you. Sorry.

**Mr. Tom McKinlay:** No problem.

**The Chair (Mr. Norm Miller):** We'll move to Ms. Jaczek, the government side.

**Ms. Helena Jaczek:** Yes, thank you. I think we've all been wrestling with this issue where legal counsel works for the government and the government, essentially, is the people. There's this real struggle, I think, for us to come to grips with solicitor-client privilege in this specific area.

So, moving forward, the committee now has in its possession massive amounts of documents, both from the Ministry of Health and Long-Term Care and the Ministry of Finance. I guess, following up on these safeguards, we as a committee have made some decisions. As an example, a social insurance number was not disclosed; personal health information—it seems clear, I think, to the committee as a whole. We don't want to have that go public.

Can you sort of specifically give me other examples that you would see are not in the public interest to disclose? I'm just trying to wrestle with how this could hurt people if documents are disclosed. Personal health information I think we understand; identifiers for a specific person that could be used for fraudulent purposes if they were public. Are there other examples?

**Mr. Tom McKinlay:** I think the example that I've offered today primarily surrounds solicitor-client privilege. I think it's worth recognizing that the disclosure of solicitor-client material, particularly a big body of solicitor-client material like this, is extraordinary.

The concern expressed in the cases in this area has always been that compelling the production of that material in the public, so that the public has access to it, risks undermining the integrity of the solicitor-client relationship in a way that makes it difficult for people to consult with their lawyers.

In the specific example of the government, that risk exists as well. The government needs legal advice; it needs good legal advice. If government decision-makers are afraid or unwilling to ask their lawyers hard questions in difficult cases, then they won't get that legal advice.

As a result, the public interest isn't advanced where decision-makers don't have the advice that they need to make good decisions.

**Ms. Helena Jaczek:** So then, does that mean that whenever legal counsel within a ministry gives advice, that advice should not be disclosed? Is that—

**Mr. Tom McKinlay:** I don't know that I'd say "should not be disclosed." Any time that—

**Ms. Helena Jaczek:** To the public.

**Mr. Tom McKinlay:** Yes—that advice is given by a lawyer to his or her client, in this case, the government, that advice is privileged, and so that advice is not subject to disclosure in any proceeding, subject to rare exception, but for this one.

**Ms. Helena Jaczek:** Would you be aware if the ministry could go through the documents that have been delivered and basically redact parts but disclose some to the public? Again, I don't know if you're familiar enough with the kinds of documents that were delivered to the committee, but would there be some parts of that that you could see—

**The Chair (Mr. Norm Miller):** Ms. Jaczek, I'm sorry to interrupt you, but the Clerk is just reminding me that we've got many USB keys. They're currently split into some that are not confidential and some that are confidential, and the committee hasn't made a decision on what to do with any of them, including the non-confidential ones, at this time. So I just wanted to remind all members.

**Ms. Helena Jaczek:** Okay. I was wondering if the confidential ones could be further examined to sort of separate them out, or if the ministry has determined that these are confidential, and that's the way it is.

**Mr. Tom McKinlay:** As I mentioned, I haven't had any significant involvement in Ornge, so I was not involved in the document production effort. We normally do redact solicitor-client information, but I think what you're imagining is exactly the kind of process that has been implemented by committees in past cases. They sort of go through the documents, and they figure out what can't be disclosed because the public interest simply isn't there, and whether there is anything that can be disclosed or, more importantly, needs to be disclosed to further some important public interest.

**Ms. Helena Jaczek:** So that's basically up to us to determine.

**Mr. Tom McKinlay:** Right, and I don't know whether—if the committee certainly was looking for assistance, I'm sure that could be offered.

**Ms. Helena Jaczek:** Thank you.

**The Chair (Mr. Norm Miller):** Ms. Damerla?

**Ms. Dipika Damerla:** Thank you so much again for coming and for an excellent presentation.

**Mr. Tom McKinlay:** Thank you.

**Ms. Dipika Damerla:** It's great to get the overview. I just wanted to understand—if you could explain how the interest in protections that you talked about earlier in your presentation relate to or mirror the protections provided in the Freedom of Information Act.



**Mr. Tom McKinlay:** Under the Freedom of Information Act, the solicitor-client privileged material is not disclosable in response to an FOI request.

**Ms. Dipika Damerla:** So they sort of reinforce each other.

**Mr. Tom McKinlay:** That's right.

**Ms. Dipika Damerla:** For obvious reasons.

**Mr. Tom McKinlay:** For obvious reasons.

**Ms. Dipika Damerla:** My other question is—and I just want to get your sense. You've probably been following public accounts just generally; I understand that Ornge is not your area of brief. So far, do you think the committee has exercised the kind of judgment you would have liked to have seen in terms of what materials we have released to the public and what we haven't? Is there anything that you flagged that perhaps we were out of line? How do you feel?

**Mr. Tom McKinlay:** It's not really my role to pass judgment on the committee's decisions.

**Ms. Dipika Damerla:** But as an expert, you would have some idea. If you want to share—

**Mr. Tom McKinlay:** I don't really have anything to offer in that respect.

**Ms. Dipika Damerla:** My last question is, because we are so similar to the British parliamentary system, are there any examples—you said that within the Canadian context, you couldn't think of any area where a serious breach of this kind of confidentiality took place. I'm just wondering if there are any historical examples under the British parliamentary system that we can take advice and caution from, if there's anything you would know.

**Mr. Tom McKinlay:** I'm not familiar, off the top of my head, with British examples. I would note that, as a result of the minority government federally, Canada has sort of had more of these decisions recently than other Commonwealth jurisdictions.

**Ms. Dipika Damerla:** My last question, everybody has asked it, so I'm just going to try and rephrase it. I think what we're struggling with is that we understand the solicitor-client privilege, but if the ultimate boss—for lack of a better word—is the general public, if we as a committee learn things that are subject to solicitor-client privilege but the public, which is the founding principle for democracy, ought to know that, how does one make that judgment? We, as a committee, know what went wrong or didn't go wrong, but now we cannot share that with the public because of this privilege. How does one breach that? Do you see where I'm going with my—

**Mr. Tom McKinlay:** I do, and I think that is the sort of difficult balancing that the committee has to do.

I might suggest, though, that in a lot of cases, the issue is going to be that things were done, decisions were made, and whether or not legal advice was given in advance isn't always of the greatest significance, compared to the fact that things happened.

So I think that in balancing those competing considerations, the question always has to be: Why is it necessary to disclose the existence and content of the legal advice, as opposed to what it was that the government did in particular cases?

**Ms. Dipika Damerla:** That actually brings up an important nuance, because when we think of solicitor-client privilege, we don't only think about what the lawyer tells the client but also what the client might disclose to the lawyer, which is not advice but facts. I'm assuming that the solicitor-client privilege covers both: not just the advice you give your client but that which the client may have told you, which may be of interest to the public. That's, I guess, where the real issues are.

I take your point on one doesn't really need to tell whether the lawyer advised us or not, but—the facts.

**Mr. Tom McKinlay:** Right, yes, and the facts are, as well, privileged for the reasons I've already said.

**Ms. Dipika Damerla:** But that's the crux of the issue. In a well-functioning democracy, if those facts are pertinent to the public, how do you balance that need for the public to know, and balance the integrity of our judicial system and people being honest with their lawyers and that sort of good thing?

**Mr. Tom McKinlay:** You're right: That is the balancing. I just think that what needs to be kept in mind is the counterbalancing of the relationship between the government and its lawyers, and how the decisions that the committee makes in this case are going to affect that relationship in the future.

**Ms. Dipika Damerla:** Okay, thank you very much.

**The Chair (Mr. Norm Miller):** Thank you, Mr. McKinlay, for your advice and for coming before the committee today. It's appreciated.

**Mr. Tom McKinlay:** Thank you.

**The Chair (Mr. Norm Miller):** A couple of things. First of all, for the committee, you may want to make a decision about the non-confidential documents that have currently not been exhibited. Is there agreement on that, to exhibit them and make them public?

**M<sup>me</sup> France Gélinas:** Absolutely.

**The Chair (Mr. Norm Miller):** Okay? Yes? Agreement? Very well.

Secondly, the Auditor General has just let me know that he will be making his report public on the Mississauga power plant on Monday the 15th, and that there's a lock-up from 12 to 1, and then there will be a press conference at 1 o'clock. Each of the caucuses would normally have one person attend the press conference. Go ahead, Auditor.

**Mr. Jim McCarter:** Actually, one member from the public accounts committee per caucus, and then one other member could attend, so if you wanted, you could have two members—for instance, if somebody from the PAC wanted to attend, plus, say, your energy critic wanted to attend. We've sent that out in letter form to the House leaders, to advise the House leaders and your leaders of that fact.

**The Chair (Mr. Norm Miller):** Mr. Klees, you had a question?

**Mr. Frank Klees:** Yes. With regard to our site visit this afternoon, I'm wondering if it's all right if we invite one staff member to accommodate us?

**The Chair (Mr. Norm Miller):** Is that fine?

*Interjections.*

**The Chair (Mr. Norm Miller):** Okay, that's fine. Ms. Gélinas?

**M<sup>me</sup> France Gélinas:** When are we going to make decisions as to the rest of the documents?

**The Chair (Mr. Norm Miller):** That's up to the committee. We don't have time right now, obviously, but we can discuss that whenever the committee wants.

**M<sup>me</sup> France Gélinas:** And we don't have time right now?

**The Chair (Mr. Norm Miller):** No, we don't. We have a minute and—

**M<sup>me</sup> France Gélinas:** I'd like us to start with this at the next meeting.

**The Chair (Mr. Norm Miller):** Very well. Anything else?

**Mr. Toby Barrett:** Question: The site visit, is it inside? Outside? Are we out in the weather or in a building?

**The Clerk of the Committee (Mr. William Short):** It's in a building.

**Mr. Toby Barrett:** In a building? Okay.

**The Chair (Mr. Norm Miller):** So we'll adjourn.

*The committee adjourned at 1024.*



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ISSN 1180-4327

**Legislative Assembly  
of Ontario**

Second Session, 40<sup>th</sup> Parliament

**Assemblée législative  
de l'Ontario**

Deuxième session, 40<sup>e</sup> législature

**Official Report  
of Debates  
(Hansard)**

Wednesday 17 April 2013

**Journal  
des débats  
(Hansard)**

Mercredi 17 avril 2013

**Standing Committee on  
Public Accounts**


Special report, Auditor General:  
Ornge Air Ambulance and  
Related Services

**Comité permanent des  
comptes publics**

Rapport spécial, vérificateur  
général : Services d'ambulance  
aérienne et services connexes  
d'Ornge

Chair: Norm Miller  
Clerk: William Short

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Telephone 416-325-7400; fax 416-325-7430  
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation  
Salle 500, aile ouest, Édifice du Parlement  
111, rue Wellesley ouest, Queen's Park  
Toronto ON M7A 1A2  
Téléphone, 416-325-7400; télécopieur, 416-325-7430  
Publié par l'Assemblée législative de l'Ontario

## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES  
COMPTES PUBLICS

Wednesday 17 April 2013

Mercredi 17 avril 2013

*The committee met at 1233 in room 151, following a closed session.*

SPECIAL REPORT, AUDITOR GENERAL:  
ORNGE AIR AMBULANCE AND RELATED  
SERVICES  
ORNGE

**The Chair (Mr. Norm Miller):** I call this meeting to order. Our first witness this afternoon is Mr. Bruce Farr, acting vice-president, operations, for Ornge. Mr. Farr, if you'd come forward, please?

**Mr. Bruce Farr:** Good afternoon.

**The Chair (Mr. Norm Miller):** Good afternoon. Just to confirm that you received the letter for a witness coming before the committee?

**Mr. Bruce Farr:** Yes, I did.

**The Chair (Mr. Norm Miller):** Very well. I understand you want to swear an oath, so we'll have our Clerk do that.

**The Clerk of the Committee (Mr. William Short):** The Bible is in front of you there, Mr. Farr.

Do you solemnly swear that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth, so help you God?

**Mr. Bruce Farr:** I do.

**The Clerk of the Committee (Mr. William Short):** Thank you.

**The Chair (Mr. Norm Miller):** And did you want to make an opening statement?

**Mr. Bruce Farr:** Yes, I do, sir.

**The Chair (Mr. Norm Miller):** Very good. Go ahead with your 10-minute opening statement.

**Mr. Bruce Farr:** Thank you very much and good afternoon. My name is Bruce Farr and I'm the interim vice-president of operations for Ornge. I very much appreciate the opportunity to speak to this committee today. It just so happens to be exactly one year ago today that I began working at Ornge on a contract basis as a special adviser to operations. Considerable progress has been made over the past year at Ornge and I'm happy to be able to provide updates to you here today.

I want to begin by telling you a little bit about my background and how I arrived at Ornge last April. I began my municipal career in 1972 here in Toronto as a front-line paramedic, which was then known as an ambu-

lance attendant. I spent a total of 39 years with Toronto Emergency Medical Services, 25 of which were spent in leadership roles within the fields of paramedicine and emergency medical dispatch.

Among some of the accomplishments I'm most proud of, I was directly involved in creating the first advanced-care paramedic position here in Toronto as well as the establishment of the critical-care land transport program.

In 2003 I became chief of the Toronto EMS system, a position that I held for eight years. I have also served as the past president of the Paramedic Chiefs of Canada and I am still currently an active board member as their past president.

I retired from Toronto EMS in February 2011. As it turns out, though, retirement didn't last long. Not long after I left the service, Ornge's former interim CEO, Mr. Ron McKerlie, phoned me and asked me to come in for a meeting with him. Having read much of the news around the service over the previous months, I really thought that I could be helpful in assisting the organization turn the corner. I was asked to join the team at Ornge as a special adviser to operations, and that's a role that I held until I became the interim vice-president of operations several months later.

From my first days at Ornge, I was really struck by the dedication of all the staff. We have high-quality people who come to work each and every day and do their very best under what I think you would all agree have to be very difficult circumstances.

I was also struck by the complexity of the organization and how much opportunity there was for improvement.

I have seen the development of the air ambulance program in Ontario since its infancy in the late 1970s. At one point, the air ambulance even had its headquarters in the same building as Toronto EMS.

From up close, we watched the growth of the program from a single base to multiple bases right across Ontario. Dating back to the very beginning, I believe the plan was to have air ambulance fully integrated into the pre-hospital and hospital system. I think it's safe to say that somewhere along the line, that plan went way off track.

Ontario has one of the finest systems in the world when it comes to EMS and pre-hospital care. My goal is to have Ornge fit efficiently and effectively right into that system.

It has never been more important than now to develop a big-picture vision for the future of Ornge, but we have not lost sight of the fact that important shorter-term goals



need to be challenged within our day-to-day operations to ensure that we're providing the best possible service to the people of Ontario.

Much has happened over the past year to make these necessary improvements, and I am pleased to provide you with a brief update.

One of the most significant areas of concentration has been our operations control centre, or the OCC. This is the nerve centre of our operation. A single patient requiring transport can involve dozens of phone calls among all the different agencies, such as the central ambulance control centres, the sending hospital, Criti-Call, Ornge pilots, paramedics and physicians, and of course, the receiving hospital. All of these calls funnel through our operations control centre. As you would imagine, it's vitally important that this process unfolds in a fashion that is as seamless as possible.

Based on our analysis and the feedback of our crews in the field, as well as health care stakeholders, it became clear that there was much more room for improvement. So among the recent changes, we have replaced the old cross-training model for our communications officers with a specialized training model. We have introduced certification exams for those communications officers, and we require them to achieve a specific standard.

We've brought together our medical call-taking, our flight planning and our flight-following functions, into the same control centre.

That's the human side of the OCC, but for a control centre to function well, you also need to give your people the right information technology tools to get the job done.

The implementation of our computer-aided dispatch system, or CAD, has been a top priority in order to more effectively dispatch our crews and improve our ability to gather data and information. I'm very pleased to report that we have completed an open and transparent request-for-proposals process, and a vendor has been selected, and we will begin the process of implementing this software very soon.

I should stress that the implementation will not happen overnight. We want to ensure that it is working effectively and that our crews are thoroughly trained before we put the system into active operational use.

We've also made progress in terms of the utilization of our vehicles: our fixed-wing aircraft, which are best for long-distance transport, particularly in northern Ontario; helicopters, which are best for on-scene response and inter-facility transfers; and our land vehicles, which are primarily used in our critical care land ambulance—or CCLA—program, whereby patients receive critical care transport between facilities, which are located relatively a short geographic distance from one another.

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We've also had land vehicles located at our air bases, which can be put into service when weather leads itself into unsafe flying conditions. We are mindful of the ongoing critical care land ambulance review by Deloitte, and we're providing them with any information that they require.

Recently, we have implemented some pilot projects to make better use of those land resources. A critical care land ambulance utilization protocol has been established to decrease the dependency on land paramedic services in specific locations across the province. Thunder Bay, as an example, is the trial site for the use of a medical transport service to transport our lower-priority patients between the airport and the hospital. This program has reduced the dependence on the local EMS service, Superior North, and has also reduced detention times for aircraft by 41% during this study period.

In addition, we've launched another pilot project in Ottawa, where we will use specific land vehicles, rather than helicopters, on certain kinds of calls. This pilot has already had very successful results. Recent data has shown an increase of approximately 20% in the use of land ambulances. This has resulted in a decrease, of course, in the number of rotor hours, which leaves the helicopter available to respond to higher-acuity calls.

Another project we're very excited about is something we call our readiness project. Optimal readiness in all phases of our operation results in the best outcome for the patients who we serve. In practical terms, readiness means that when a shift starts, our paramedics and our pilots are standing by with their uniforms and safety boots on beside a fully equipped aircraft that is ready to go immediately when the call comes in. Being ready to respond is what the people of Ontario are expecting of us, and that's the inspiration behind this complex, comprehensive project.

Our overall goals are to improve resource availability, on-shift resource readiness and the overall operation's efficiency of Ornge bases by adding up staff time at no additional cost.

That's the big picture. But, of course, putting those goals into action will require putting together all aspects of the operation. We are just beginning this process. Right now, we're looking at a number of specific solutions, such as the introduction of a new computerized dashboard, which will show crew and aircraft readiness to the operations control centre staff, and it will be changed as their status changes. We're looking at enhancing the efficiency of our weather reporting by improving communication between our flight planners and our pilots.

In summary, we are looking at multiple areas of our operation, including a shift-change protocol, aircraft readiness, dispatch protocol, as well as equipment, on-shift and workforce readiness.

What I've shared with you here today only scratches the surface, and I'm incredibly proud of the work that is being done to improve Ornge's operations. There's much more yet to be done. Rest assured that everyone at Ornge is committed to seeing this through, and I have little doubt that Ontario's air ambulance program is well on its way to becoming something for the province to take pride in in the future. Thank you very much.

**The Chair (Mr. Norm Miller):** Thank you very much. We'll now go to the three parties for questioning. You have 20 minutes each, starting with Mr. Klees.



**Mr. Frank Klees:** Thank you, Mr. Chair. Welcome, Mr. Farr.

**Mr. Bruce Farr:** Thank you, sir.

**Mr. Frank Klees:** I just want to say that the tour that we had at the headquarters was most informative and eye-opening, in some ways, and encouraging, certainly, in others in terms of some of the progress that's being made there.

**Mr. Bruce Farr:** Thank you.

**Mr. Frank Klees:** I just want to confirm that you were invited, as you say, by Mr. McKerlie to come on as a special adviser. It was in May 2012, I believe, right?

**Mr. Bruce Farr:** It was in early April 2012 when I received the call, and I actually started April 17.

**Mr. Frank Klees:** Okay. Do you know if there was a job search for that role?

**Mr. Bruce Farr:** I have no idea, sir. I received a phone call from Mr. McKerlie and was asked if I would come in to meet with him, which I did about four or five days later.

**Mr. Frank Klees:** So I'm assuming, then, that you and Mr. McKerlie had a relationship of some sort? You knew each other prior to that?

**Mr. Bruce Farr:** No, sir. I'd never met him.

**Mr. Frank Klees:** Okay. Why did he make the approach to you, then, to your knowledge?

**Mr. Bruce Farr:** I can only speculate, sir; I don't know. I've never asked Mr. McKerlie, but I assume that people that were around him had known of my status, certainly, as the chief at Toronto, Toronto EMS being a world-class and well-known high-performance EMS service, and the fact that I was retired. In his words to me, he needed someone who could help him reintegrate Ornge into the province's very fine EMS system, and would I come and help him? That was the kind of discussion we had.

**Mr. Frank Klees:** So was there anyone else at Ornge that you knew before you went there, on a personal level or professionally?

**Mr. Bruce Farr:** Well, of course, in my role as chief at Toronto, we operated a critical-care land ambulance component for Ornge, funded by Ornge—originally funded directly by the province. I had interaction with a number of staff at Ornge over the years, in terms of maintaining administrative processes, control of budget back to the city, staffing issues, equipment issues and so on—frequently not directly; one of my deputy chiefs would handle it directly. But of course, I knew people at Ornge. Some of the people that were there in leadership roles were, in fact, colleagues of mine and worked at Toronto as paramedics before they chose to go to the air ambulance service a number of years ago, and they're no longer at Ornge.

**Mr. Frank Klees:** Who among the executive group did you know there?

**Mr. Bruce Farr:** I knew Dr. Mazza, I knew Tom Lepine, and I knew Steve Farquhar.

**Mr. Frank Klees:** Okay.

**Mr. Bruce Farr:** Both Tom and Steve were paramedics at Toronto EMS previously.

**Mr. Frank Klees:** I would think it's reasonable to assume that either Lepine or Farquhar would have probably referred you to Mr. McKerlie.

**Mr. Bruce Farr:** I can't say, sir. I don't know.

**Mr. Frank Klees:** Okay. On June 11, I put a question to the Minister of Health. As you know, one of the serious concerns about Ornge, apart from the money that was going missing, was the implication to patients and not being able to respond appropriately. We had heard here about single-staffing of medics, then patients having to be refused. I put a question to the minister that day about the fact that the new performance agreement did not have any specific standards of service identified in it. Her response was essentially that all was okay.

I want to ask you this question. We have a new performance agreement. On review of that new performance agreement, there is nothing in that new performance agreement that specifically sets out standards of service. By standards of service—I want to make sure we're on the same page—we're talking about such things as staffing, qualifications of paramedics, and what we in this committee understand are some very rigorous prescribed standards of service that mean that there have to be two paramedics and that those paramedics have to have a certain level of qualification. None of that is incorporated into the new performance agreement. The minister seemed to be of the opinion that that didn't really matter. As someone who has the responsibility of overseeing the delivery of service and someone with your experience, and knowing what happens when those standards aren't met and the implication to patients, do you feel it would be helpful to have those standards of service incorporated into the new performance agreement?

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**Mr. Bruce Farr:** Let me speak to a couple of issues that you've raised. I think, first of all, that we are performing to standards that have been laid out for us. While I don't know the performance agreement off by heart, I certainly know components of it. We are expected to staff the aircraft as per our deployment plan across the province. And as you know, we haven't been meeting that obligation to staff it at the critical care level, although we've staffed it at either the advanced care or the primary care level in terms of paramedic certification.

In terms of standards to respond to a call, we watch those standards very carefully. The time it takes to have our pilots do a weather check, the time it takes for us—if the equipment is not outside—to get the helicopter, let's say, out of its base and outside to ensure that it was previously stocked and ready to go into flight right away are all things that we track as diligently as we can because that really speaks to the performance.

**Mr. Frank Klees:** I'll rephrase the question. We have had representation that the previous performance agreement provides guidance, and that there were certain expectations in terms of what those service standards would be, and that it would be up to the individuals who



had responsibility for oversight and enforcement to ensure that they were met. That didn't happen, which is why we ended up in the mess that we ended up in.

Now we have a new performance agreement. We had an opportunity to actually incorporate defined levels of service in that agreement. We still don't have them.

You come to this position of yours with good intentions. You have a background in EMS. You may well be conscientious at what you do and say, "Well, we're going to adhere to these standards of service." But once again, it's not in the performance agreement.

And by the way, some of our research indicated that you were in the vortex of an issue at the Toronto EMS. An individual died. There was a report from the Ministry of Health that made 13 recommendations in terms of training, in terms of other issues that should have been able to prevent that death.

We're now at the point where we're trying to put in place improvements to the system and provide as much guidance as possible to avoid possible errors. My question to that end is very simple: In your opinion, would it or would it not be helpful if, in the performance agreement under which Ornge must now work, there were specific defined services levels that you could work towards, that the Ministry of Health could perform its inspection functions against and do its audits against and that the world knows what those defined service levels are? Would that not make it easier and would that not make it more efficient and responsive?

**Mr. Bruce Farr:** Of course it makes it easier and more easily understood for everyone involved, but I believe that most of it is in place. I mean, I don't need people to tell us in an emergency situation where someone's life is on the line what we need to do to make sure we're ready to deploy a helicopter or a land vehicle or paramedics to assist that person. We know what must be done.

**Mr. Frank Klees:** And so did the people who were there before; that's my point. They would've told us exactly the same thing, with all respect. What we heard time and time again—and even the minister kept saying, "Well, we didn't have the authority, we didn't have the instruction, we didn't have the details."

There are two sides to this. One is the ability of people to perform conscientiously. You may not need anyone to tell you, but maybe the next guy does. If we have clearly articulated documents that make it clear what those standards are, then I think it's a lot easier for the Auditor General, for an Ombudsman, for a Ministry of Health inspector to have those meetings and say, "By the way, here's where the failures are."

I think what I'm hearing you say is that you agree with me; however, in your circumstances, it's not necessary.

**Mr. Bruce Farr:** With my colleagues who share the transition executive-level team with me—I think we all understand what we need to do to make Ornge more effective and more efficient. I think that in many cases, those guidelines are written down for us and we do provide daily and weekly and monthly reports, certainly to our principals.

**Mr. Frank Klees:** How much time do I have, Chair?

**The Chair (Mr. Norm Miller):** You have about eight minutes.

**Mr. Frank Klees:** Okay.

I have in front of me the resource availability reports that go back to—I think we got them from September of last year, August of last year.

**Mr. Bruce Farr:** Correct.

**Mr. Frank Klees:** You're familiar with these?

**Mr. Bruce Farr:** I am.

**Mr. Frank Klees:** Do we have a copy for the witness? I can be confident that you have a working knowledge of these documents, right? Because they basically report on your responsibilities.

**Mr. Bruce Farr:** They lay out how successful we've been in terms of staffing bases to the expectation, if you will, at that base, because they're not all critical care. It gives us a guide in terms of how we've been in terms of staffing to the critical care level, as an example.

**Mr. Frank Klees:** Okay. If we could just have a look at the March 2013 report, which is, I am assuming, the most recent that we have, and if we go down to the middle of the page, it talks about the downtime reports. If we look at the first column, it would be the Ottawa rotor-wing division, I'm assuming.

**Mr. Bruce Farr:** Yes.

**Mr. Frank Klees:** It talks about the number of hours that base was out of service. The total number for nights, I see there, is 13%. So 13% of the time, the Ottawa base during the month of March was out of service. Is that correct?

**Mr. Bruce Farr:** That's what it's saying, yes.

**Mr. Frank Klees:** Or is that—

**Mr. Bruce Farr:** Well, that's days.

**Mr. Frank Klees:** That's right; so during the day. During the night, it would have been out of service 5% of the time. Is that right?

**Mr. Bruce Farr:** That's correct.

**Mr. Frank Klees:** Then we go across Toronto. During days, it would have been out of service 4% of the time, and 9% of the time during the night. We come across to Moosonee. It would have been out of service 19% during the daytime, 36% in the evening. If we go to Thunder Bay, it looks like 81% during the nighttime, 2% during the day.

**Mr. Bruce Farr:** That's on the Thunder Bay rotor?

**Mr. Frank Klees:** That's Thunder Bay rotor.

**Mr. Bruce Farr:** Rotor, yes.

**Mr. Frank Klees:** Yes. I'm looking at the same reports that go back to August of last year and I look at those same numbers and they're very close. For example, there's about a 1% to 2% difference here in terms of downtime. It would have been 12% versus 13% for Ottawa; 5% versus 3%, 7% versus 9%. There is a significant improvement during the daytime in Toronto, from 4% to 15%. The others are relatively close.

1300

The reason I wanted to get your thoughts on this: Can you tell me what 1% represents in terms of the number of hours that a helicopter would be out of service?



**Mr. Bruce Farr:** I don't have that—

**Mr. Frank Klees:** Translate that into number of hours.

**Mr. Bruce Farr:** What 1% would be would depend on—I mean, if you're staffing at 2,080 work hours a year—I don't have the calculation before me, what 1% would be.

**Mr. Frank Klees:** Okay. I understand it translates into something in the range of 22 hours. We can get those calculations. Nevertheless, it's a lot of hours that the service is not available.

You've been there now for a year, or close?

**Mr. Bruce Farr:** In different positions.

**Mr. Frank Klees:** It seems as though there hasn't been a great deal of improvement on the front-line ability to respond. Can you comment on that? What is the reason for that, and what plans do you have in place, and how much longer before we can get to the point where we really can say that we have a reliable air ambulance service here in the province of Ontario?

**Mr. Bruce Farr:** As I look back in the rear-view mirror and reflect ahead, if I could, I think, given what we were able to do over the last year under some pretty difficult sets of circumstances, under Dr. McCallum's leadership over the next year I'm really feeling very positive about where Ornge can go.

Some of those complexities that I spoke of when I first came into the organization, because Ornge was extremely complex—if I use an example of measuring it between what I had under my command before, at Toronto EMS, 950 paramedics versus 227 at Ornge, that's the kind of complexity that I was able to look at.

I think when it comes to the education of paramedics and the upgrade of paramedics—as I mentioned to you previously, we don't intend on hiring primary care paramedics at Ornge any longer. We are working with our community colleges across Ontario to attract graduates of the advanced care level, the advanced paramedic program, and be able to train them up to Ornge's requirements at a critical care level that much quicker. We're taking the process of only critical care from one that was well over one year to down around a total of 26 weeks to completion.

The issue with pilots and aircraft: They're totally different issues, especially when it comes to the north. I'm not an aviation expert. When aircraft are down and when aircraft are deemed to be down by pilots or captains of the ship, it's not something we question, because safety is first and foremost.

When it comes to pilots, I know we've had issues with pilots at various bases. As we made a decision to upstaff the rotor at the Thunder Bay base, our biggest and busiest base, we had issues. We knew we could staff almost immediately with paramedics, but we're in the process of attracting more pilots and training them up.

Again, sir, don't think I'm any expert on aviation; I'm not.

**The Chair (Mr. Norm Miller):** We are out of time, so we'll move to the NDP. You have 20 minutes.

**M<sup>me</sup> France Gélinas:** It's a pleasure to see you, Mr. Farr, and also, thank you for the most pleasant visit you helped organize for us last week.

**Mr. Bruce Farr:** Well, thank you. It was a pleasure having you visit.

**M<sup>me</sup> France Gélinas:** I learned lots, and it was very well done, so I thank you for that.

**Mr. Bruce Farr:** Well, thank you.

**M<sup>me</sup> France Gélinas:** The question I'm interested in knowing is that all of those reports we have in front of us—are those shared with people within the ministry?

**Mr. Bruce Farr:** Yes.

**M<sup>me</sup> France Gélinas:** And how is that done? Do you fax them over, or once a month you send a pigeon over? How does it work?

**Mr. Bruce Farr:** I'm not sure. Sorry.

**M<sup>me</sup> France Gélinas:** No problem. But you know that the ministry is keeping an eye. Have they ever called you and said, "Oh, we looked at your report, and we're happy," or "we're sad," or "we have questions"?

**Mr. Bruce Farr:** No. Frankly, we get questions frequently. I wouldn't say daily, but a number of times a week we'll get questions on our performance, our staffing issues, pilot issues and so on.

**M<sup>me</sup> France Gélinas:** And who would initiate those questions? Are they because they've received reports? Is it because you flagged it for them? How does it work?

**Mr. Bruce Farr:** It's typically because they receive our daily reports or these kinds of reports. They're helping monitor our performance in achieving those targets that we've set out.

**M<sup>me</sup> France Gélinas:** Okay. You had said to us last week that you have daily, and then every 10 days, and then every—I forgot the—

**Mr. Bruce Farr:** That's on the investigations?

**M<sup>me</sup> France Gélinas:** Oh, yes, true.

**Mr. Bruce Farr:** The investigations were the 10-day and 40-day, and we do daily reporting to the ministry.

**M<sup>me</sup> France Gélinas:** Okay. Was this something that was always there, the daily reporting?

**Mr. Bruce Farr:** I'm sorry, I don't know. It's certainly something that was started up with the introduction of the Air Ambulance Oversight Office.

**M<sup>me</sup> France Gélinas:** Okay. So there are people at the ministry who review those, and every now and again they have questions for clarity, or questions because they're not happy? Can you give me an example? When was the last phone call you got, and what was it about?

**Mr. Bruce Farr:** It was about one of the questions that Mr. Klees asked me regarding pilot staffing. I had to get further details for them.

**M<sup>me</sup> France Gélinas:** Okay. And you were able to answer their questions?

**Mr. Bruce Farr:** Yes. Not immediately, but within an hour or two, we got back.

**M<sup>me</sup> France Gélinas:** You got back? What do you figure would happen if they asked you a question that doesn't put you in a positive light—"You were not able to do X, Y, Z..."—and you didn't answer?



**Mr. Bruce Farr:** Oh, I don't think that would be acceptable. They'd be looking for us to answer and be able to explain how we're going to improve that or correct that, depending on whatever the situation is. I think the oversight on us is much improved, compared to where it was.

**M<sup>me</sup> France G  linas:** So, even if that was not your best day—they were asking you about something where Ornge really was not shining that day—you feel that you would still have to tell the ministry?

**Mr. Bruce Farr:** Absolutely.

**M<sup>me</sup> France G  linas:** Okay. And if you were not to do so, you feel that the ministry would follow up?

**Mr. Bruce Farr:** Yes, I do.

**M<sup>me</sup> France G  linas:** And what leads you to believe that they would do that?

**Mr. Bruce Farr:** Well, I think it's the number of questions that we get now in terms of our performance. There's a lot of transparency in what we do daily, and a lot of questions asked and a lot of reports that we provide. Frankly, that's the way I like it.

**M<sup>me</sup> France G  linas:** So, continuing on, you have questions coming from the ministry. They're not happy with the answers they're getting from you. Where do you figure they would go next?

**Mr. Bruce Farr:** Well, depending on the situation, the hypothetical question that you're asking me, I think it's our job to indicate to them why it's like that and what our plan is to correct that, whether it's short-term or long-term—if it this correctible—and all of those kinds of things. I think that's part of our responsibility to them.

**M<sup>me</sup> France G  linas:** Okay. You feel comfortable with having a responsibility directly to the Ministry of Health? Do you figure this is the way it should work?

**Mr. Bruce Farr:** Yes, I'm quite satisfied with the level of reporting that we have today and the accountability.

**M<sup>me</sup> France G  linas:** How does this compare to where you were before, when you were in Toronto EMS?  
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**Mr. Bruce Farr:** It's very similar. We would provide daily operational reports to our deputy city manager, our city manager, and certainly members of the city council and the mayor's office. We provided regular reporting in terms of our response time commitment and our targets—how we were doing.

**M<sup>me</sup> France G  linas:** Okay. Mr. Klees, when he asked, wanted to see, basically, some of the performance measures directly in the performance agreement, but what you've said is that you have a deployment plan, and this deployment plan—I guess you have the flexibility to change it at intervals as long as everybody agrees with that plan. Is this how it works?

**Mr. Bruce Farr:** Well, we have the bases, as I mentioned in the presentation that you saw. We have those bases that we're expected to staff each day with pilots, paramedics and aircraft that are equipped and ready to respond. That's a simple process to say, but it becomes very complex to do when you start looking at the differ-

ent areas around the province and issues in terms of maintaining appropriate staffing levels.

**M<sup>me</sup> France G  linas:** You can see that because of what happened, there's a level of nervousness out there. We want to make sure—what had happened in the past, or what the ministry said happened in the past, is that they would call Ornge and they would get stonewalled; Ornge refused to give answers. Let's say you're not in there, but somebody else is doing your job and refuses to get answers to the ministry. Do you figure it's possible that somebody could stay in their job and refuse to answer questions from the ministry? You seem quite willing to work with the ministry and answer questions. The people that were there before apparently—so the minister tells us—stonewalled them; they would not answer their questions.

**Mr. Bruce Farr:** No, as I said in my opening statement, I am very, very proud of the efforts that the senior team is putting into this. Under the leadership of Dr. McCallum, it's only getting better every day. It's all coming together. I can't imagine anybody not responding to a request from the ministry or anyone else who's looking for information. It's a very transparent operation.

**M<sup>me</sup> France G  linas:** Okay. So if you get to retire for the second time, and a new person comes in and stonewalls the ministry, what do you figure would happen, knowing the players that are there now?

**Mr. Bruce Farr:** I don't think there would be any stonewalling. If there's a legitimate question put forward about Ornge's operation, I think that everyone on the executive team, including the CEO's office, is going to do what they can to answer that question.

**M<sup>me</sup> France G  linas:** Okay. You've explained a bit to us as to how complex it is to deploy, the number of phone calls that need to happen. It was quite interesting when we did the tour, basically, to see it live and to see the different pieces of the puzzle that all needed to be put together, and you had put forward for us a live scenario as to how this is done. That leads one to believe, though, that at any one of those action points, things could derail.

I know that people have complained against Ornge before, and certainly people have in the past complained about issues that have happened to Ornge. If there is a complaint right now, directly related to the people you're responsible for, how would that go?

**Mr. Bruce Farr:** Well, depending on how we're made aware of that complaint, it would be investigated through our professional standards office internally. It might be the ministry that's asking questions; the ministry investigators might be looking at it, depending on the issue. But at every step of the process, we have things that are put in place to check and balance and make sure that things are going along the way that they're supposed to. Certainly, when you talk about the communications centre, the introduction of the new automated system will make it much, much easier to make sure that things are done in sequence properly.

**M<sup>me</sup> France G  linas:** Okay. And if somebody has a complaint that has to do directly with your department,



that has to do directly with what you do, would you be aware of it? Would it come to you?

**Mr. Bruce Farr:** Absolutely.

**M<sup>me</sup> France Gélinas:** It's handled directly by you?

**Mr. Bruce Farr:** It may not be handled directly by me, but if it was one of my managers or one of my directors, they would of course let me know—

**M<sup>me</sup> France Gélinas:** That there's something wrong.

**Mr. Bruce Farr:** And we do regular reporting on the complaints process.

**M<sup>me</sup> France Gélinas:** Just one more: Since you've been there, has anybody from the ministry gone to Ornge and talked to you? Has anybody who works for the Ministry of Health gone to where you're working?

**Mr. Bruce Farr:** Yes.

**M<sup>me</sup> France Gélinas:** Have you seen them there?

**Mr. Bruce Farr:** Yes.

**M<sup>me</sup> France Gélinas:** Who was it and when?

**Mr. Bruce Farr:** We get regular visits by the air ambulance oversight office: Mr. Jackson. He's in touch with us on a regular basis. We have regular meetings with him in terms of our process and our activity, our operational activity in particular.

**M<sup>me</sup> France Gélinas:** And do they come to you or do you go to them?

**Mr. Bruce Farr:** Both, depending on the situation. If there's a need, we'll contact them and report something.

**M<sup>me</sup> France Gélinas:** Okay. Jagmeet?

**Mr. Jagmeet Singh:** Thank you, Mr. Farr. Mr. Farr, I just wanted to confirm: You're currently employed with Ornge as the vice-president of operations?

**Mr. Bruce Farr:** On a contractual basis, yes. I'm not an employee.

**Mr. Jagmeet Singh:** Not an employee.

**Mr. Bruce Farr:** Correct.

**Mr. Jagmeet Singh:** And your understanding is that the contractual basis is paid by Ornge directly, when you receive your payment or your salary?

**Mr. Bruce Farr:** That's correct.

**Mr. Jagmeet Singh:** Okay. Were you ever asked to disclose your salary or your remuneration to the sunshine list?

**Mr. Bruce Farr:** I understand, because I'm on contract, it's part of further disclosure, which—I may be wrong; I believe it's disclosed sometime in June.

**Mr. Jagmeet Singh:** Okay. Would you have any problem disclosing that? You don't have to do it now, but in general, if the ministry asked or if anyone from the sunshine list or the Ministry of Finance asked, would you have any issues disclosing?

**Mr. Bruce Farr:** None whatsoever. I believe Mr. Klees asked me during the visit last week—it might not have been you, sir, but I think it was—and I disclosed what my earnings were.

**Mr. Jagmeet Singh:** Okay. Would you be able to disclose that now, then, what your salary is, your compensation?

**Mr. Bruce Farr:** Last year from April 17 to the end of the year, \$135,000.

**Mr. Jagmeet Singh:** Okay. And this year, roughly the same? Is that the expectation?

**Mr. Bruce Farr:** I have no idea. It depends on how many days I actually work. How long will they keep me? I'm not sure.

**Mr. Jagmeet Singh:** Fair enough.

**M<sup>me</sup> France Gélinas:** Are you aware that the Legislative Assembly is discussing Bill 11, the air ambulance act?

**Mr. Bruce Farr:** Yes.

**M<sup>me</sup> France Gélinas:** Do you know anything about the bill?

**Mr. Bruce Farr:** I've briefly reviewed the bill.

**M<sup>me</sup> France Gélinas:** Did you? Okay. Are you waiting with bated breath for that bill to come through so that you can do something that you're not doing now?

**Mr. Bruce Farr:** It's a difficult question to respond to. I think it's a very important bill, a very important piece of legislation. I think it's important to have oversight. But at the same time, I'm confident with where Ornge is heading. I think the bill needs to be there, but hopefully, Ornge will continue to perform beyond expectations that are there today and we'll perform very well.

**M<sup>me</sup> France Gélinas:** Okay. You say the bill is important for oversight. The first 10 minutes of our conversation were really about oversight, and you agreed that the ministry was doing quite a bit of oversight, with the phone calls, with the meetings, with the reporting. Do you really see that the oversight will change with the bill?

**Mr. Bruce Farr:** Well, I think it's—

**M<sup>me</sup> France Gélinas:** I can help you by saying that you seem to be doing a pretty good job now. I don't see how things are going to change.

**Mr. Bruce Farr:** Well, I guess from my perspective, if I may—again, I think oversight is important. We are spending the public's money, and I think it's important that government has a way of saying yes, they have the oversight.

From our perspective, I know, speaking for our senior team, we intend on doing things right, and we intend on making Ornge a service that everyone in Ontario can be very proud of.

**M<sup>me</sup> France Gélinas:** I think you're on the right way. A lot of the people who work for your department are the people who were whistle-blowers. It's because of what they did that we became aware of what was going on at Ornge and things were put in place to try to improve, including recruiting you.

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The people who did that, the people who blew the whistle, most of them lost their jobs, most of them were severely punished and most of them paid a pretty significant personal price for having blown the whistle on everything that was wrong at Ornge. It would have been different had there been protection. Do you know if you have whistle-blower protection right now at Ornge?

**Mr. Bruce Farr:** Yes, we do.



**M<sup>me</sup> France G  linas:** And how does it work?

**Mr. Bruce Farr:** We encourage people to raise issues, particularly when it involves patient care and safety and all those kinds of things in their daily work environment. It's raised through a third party and it's dealt with, in my view, quite appropriately. They don't need to fear reprisal of any kind.

**M<sup>me</sup> France G  linas:** So right now, if they see something that is wrong, how do they know who to call? How do they know about this third party?

**Mr. Bruce Farr:** It's been well advertised across Ornge. Employees should all be very well aware exactly how to contact the third party.

**M<sup>me</sup> France G  linas:** And you, yourself, do you feel confident that if you were to call this third party, that nobody would know that it was you who called?

**Mr. Bruce Farr:** I believe so. I haven't called, but I believe so.

**M<sup>me</sup> France G  linas:** We'll test it, but you feel confident. And the people you work with, are they happy with your whistle-blower protection? Do they feel you got it right?

**Mr. Bruce Farr:** I've visited every base in the system except Moosonee, and when I talk to our front-line people—our pilots, our paramedics, our maintenance folks—in our bases, I think people are really feeling quite confident about the future, maybe not as confident as I am but they are feeling very confident, and I think it's things like that that help people get the sense that their opinion makes a difference.

**M<sup>me</sup> France G  linas:** That their opinion makes a difference, yes. And because you've now implemented whistle-blower protection, they feel that if things don't go well inside, they could go there and be heard?

**Mr. Bruce Farr:** Absolutely.

**M<sup>me</sup> France G  linas:** Okay.

**Mr. Jagmeet Singh:** Could you recap just maybe the two or three—

**The Chair (Mr. Norm Miller):** You have two minutes left.

**Mr. Jagmeet Singh:** Thank you very much.

So in the two minutes we have, maybe briefly we can recap the top priorities that you have, moving forward, in ensuring that Ornge gets to the high level of performance that you want to see it at. What are some of the major priorities that you really want to work towards, and, perhaps, what do you need to achieve those priorities?

**Mr. Bruce Farr:** I think one of the biggest priorities, the one I've probably spoken the most of today, is the operations control centre, to support their change and their ability to track our paramedics and pilots and aircraft around the province so that we know that we're ready, we know exactly where everybody is and what their status is.

**Mr. Jagmeet Singh:** Okay.

**Mr. Bruce Farr:** From my perspective in paramedic operations, the ability to recruit and educate paramedics in a timely and efficient fashion, dipping into, as I said, the very fine community college system that's in place

around the province and taking advantage of those people and those programs, attracting them to come to Ornge, and to be able to continue to have the confidence of the public that we're there when they need us, and the rest of the health care system.

**Mr. Jagmeet Singh:** In terms of achieving those priorities, what do you think Ornge needs to do and what assists you in achieving those goals?

**Mr. Bruce Farr:** I think we're already doing it. I think we're already well down the road, looking at the shorter term and longer term. The executive team, working with our board, has laid out a set of directions for the future. We know the various projects that we need to achieve and the time that we want to achieve those in. We are working on a longer-term strategy, but in the shorter term, I'm very confident it's the right thing to do to put Ornge into a position that I want to see, where there's more of a sense of urgency, if you will, from everyone in the organization.

**The Chair (Mr. Norm Miller):** Thank you. We'll move to the government, then. Ms. Jaczek.

**Ms. Helena Jaczek:** Thank you, Chair, and thank you on behalf of the government, Mr. Farr, for the tour last week. I think it was extremely helpful and gave us—certainly, when we saw the dispatch centre and all the various components working together—I'm sure that that new software will facilitate as well.

Now, I just want to get back to the performance agreement. Mr. Klees has raised that issue already. It's my understanding that even if it doesn't set some particular targets, requirements to report on levels of care, staffing mix, availability of shifts and so on—that's all part of what is required to be reported.

**Mr. Bruce Farr:** And we do report on those. As I said, whether or not it's specifically laid out, I can't recall, depending on which piece of performance you're talking about. But many of them are laid out in the agreement.

**Ms. Helena Jaczek:** And pursuant to the performance agreement, of course we have the quality improvement plan. I'm just looking at the 2012-13 quality improvement plan, and under "Staffing and Transport" it specifically lays out some objectives that relate closely, in fact, to the document that Dr. McCallum forwarded to us that you have had a chance to look at. The objectives around paramedic staffing are to ensure that each base has two paramedics with a designated level of care, even during off-service hours. As a summary comment in this document, it says, "In January 2013, we reached this level-of-care target (i.e. two paramedics with the right mix of training and certification) 71% of the time." Again, Mr. Klees has alluded to the fact that he hasn't seen much variability over the time period that we have been given.

Furthermore, in this document it says, "[O]ur goal is to increase paramedic staffing and training to reach the target 75% of the time by March 2013 and ultimately to exceed that target in future years."

I'm wondering, in your position—you've mentioned training of staff; you've got a number of initiatives on the



way. Will you be able to reach 75%, and when? When will you get that next batch of paramedics trained? Can you give us some sort of sense of the progress towards improving the figures that we see in front of it?

**Mr. Bruce Farr:** Yes, I'd be happy to. We're about to graduate a class of critical care paramedics and some advanced-care paramedics at the flight level, which is going to greatly improve our ability to meet those targets. They've been in training for quite some time and they're ready for graduation over the next couple of months. That, in itself, is a big step in the right direction. They will spread out across the system; they're all from various parts of Ornge bases.

We will continue that process in terms of the upgrade education and the use of new students as they graduate in the spring from community colleges that we've been speaking with. We haven't exactly signed agreements, but we have been talking with three community colleges that have responded to us very positively about a process that we could put in place, which would really expedite the training of paramedics who can perform their duties at Ornge.

**Ms. Helena Jaczek:** Is the ultimate goal to reach 100% in terms of this staffing?

**Mr. Bruce Farr:** Well, 100%—we talk a lot about that. Is it achievable? When you talk about things like performance and these kinds of targets, there are an awful lot of things that can get in the way. So you might be setting your goal a little bit too high, depending on what you're talking about.

**Ms. Helena Jaczek:** What are the difficulties? I mean, staff are off sick—can you sort of give us why we're not better? What are the factors that have led us to this current 71% number?

**Mr. Bruce Farr:** Well, it has a lot to do with the placement of the bases and the staffing at each of those bases. We staff a base with 11 full-time paramedics, and they're on four different lines or four different shifts, if you will. If someone goes off sick, someone injures themselves and they're missing from the rotation, depending on the part of the province it's in, it can be very difficult to backfill those individuals.

Now, we do have part-time paramedics at most of our bases, and it's just a case of everything lining up in terms of being able to fill those shifts. That's probably the number one factor that is an issue when it comes to the staffing.

**Ms. Helena Jaczek:** Could some of the paramedics be trained to be upgraded to critical care or advanced-care paramedic status?

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**Mr. Bruce Farr:** Well, we go through that process in co-operation with our unions because it's part of our collective agreement in terms of how long people are in the organization prior to being trained up. We're very aware of that, but we're also aware of the amount of time that it has taken in the past, and we're looking to implement more efficiencies in that entire system.

**Ms. Helena Jaczek:** But some of the out of service, or not the desirable service level being in place, could be because some are being trained? That would be—

**Mr. Bruce Farr:** Yes.

**Ms. Helena Jaczek:** Yes. Okay. You have had a great deal to do with paramedics, obviously, in your 39 years. Every organization has a culture, and we know that paramedics are often faced with critical incidents, especially if it involves a critically injured child and that kind of situation. It's a high-stress job. I think we all acknowledge that. This is why we value the work that they do.

You arrived at Ornge, and I'm sure you met with paramedics. They knew that their organization was subject to a great deal of media interest. Can you sort of explain to us the morale of the paramedics when you arrived and what you've seen over time since you've been there?

**Mr. Bruce Farr:** My heart goes out to them because, you know, they sit down, particularly if you're one on one, and they open up in terms of the work that they're being asked to do. Yet they look at the walls falling down around them. We've assured them that that's not going to happen. We're all hopeful of a better future. You just can't blame paramedics for the way that they feel, and that, in fact, affects pilots in the same way—you know, people who are at our base locations as well as our maintenance staff who are at those locations. Everybody is affected in the same way.

But to your point about paramedics, yes, they're expected to perform at their utmost best, as are the pilots. You want to keep everybody as sharp as possible. You don't want them to be affected by all these other parts of this issue that are all around them. We've spent a lot of time, as I mentioned to you last week during your visit.

I'm very pleased that our new leader, Dr. McCallum, has been out at almost every base. He has had a lot of face-to-face visits with the staff at the bases. They've heard from our new leader—our new chief, if you will—in terms of the direction that he sees and his vision for the future. I'm hearing a lot of very positive comments back.

We've been trying to do that a lot over the last year as well. As I indicated, I've been at every base except Moosonee, and people are just more than willing to sit down and talk about what we see for the future and where we're going.

**Ms. Helena Jaczek:** Well, I think in terms of restoring public confidence in the air ambulance system, the type of work and the face-to-face time that you're spending with the medics is obviously going to go a long way because they're going to be able to project that kind of confidence in the system going forward.

In terms of the staffing—you're making all this effort in terms of the training, hiring, community colleges and so on—how do you see the mix, going forward, in terms of critical care versus advanced care? What would be your sort of ideal staffing mix to properly serve the people of Ontario?

**Mr. Bruce Farr:** I wish I had the answer. I think it's one of those projects that we want to get into in terms of a detailed review of the level-of-care requirements across



the system, because we're striving to staff to the critical care level at all bases. We've had many discussions amongst the senior team to look at how and when we could actually take a more detailed review.

Our experience in the number of times that paramedics utilize their skills in various calls that they're doing around the province—you know, it helps to sort of point us in that direction, saying, "What level of care should we have and how should we best deliver it—helicopter, fixed wing, land vehicle etc.?" So I think all of that needs to be part of a future review, internally, in terms of giving us that information on a go-forward basis.

**Ms. Helena Jaczek:** Other issues related to paramedic morale: that infamous interior of the AW139 that was not functional in terms of life support and so on. Can you just go through again exactly what has been done in terms of that interior and how the paramedics are working in that environment?

**Mr. Bruce Farr:** Well, again, we took a lot of what our paramedics were telling us, and we implemented it into what we call an interim interior. That has been installed in all of our AW139s. Of course, that didn't affect the Sikorsky fleet. We've implemented it across the system, and the paramedics have been very quiet on that issue. I think the paramedics that I'm talking to are quite satisfied with the changes that have been made. We haven't given up on that. We still listen to the paramedics; we still look at the EMS industry as a whole. I think, as you heard from a few of us during your visit, we're still looking at other ways to improve and hopefully get to the total roll-on, roll-off system from the AW helicopter.

**Ms. Helena Jaczek:** Since I have more time, could you expand a little bit: One of the Auditor General's original reports was a request to look at the interface between air ambulance and critical land ambulance. Could you just expand? In your opening remarks, you just mentioned that study that's being done, but perhaps you could tell us more.

**Mr. Bruce Farr:** That review is under way by Deloitte. Over the last few weeks, they've been visiting our bases in Ottawa, Markham and Peterborough. They have met with the leadership team and the paramedic teams at Toronto EMS, who also operate critical care on land, and they have interviewed a number of folks at Ornge's head office in terms of the data, the finance side and so on. They're going through the process, and I think that, so far, from what I'm hearing from them, they're pleased with what they're seeing.

**Ms. Helena Jaczek:** Right. So they'll come out with some recommendations if there's potentially a shift in location of base, land ambulance, or whatever mix might be potentially more appropriate?

**Mr. Bruce Farr:** I would expect that you're right. I would expect that they will produce recommendations and provide them to the ministry in terms of moving forward.

**Ms. Helena Jaczek:** Well, on my behalf, I certainly find everything you've said very reassuring. Do either of my colleagues have any further questions?

**Mr. Shafiq Qaadri:** We are similarly reassured.

**Ms. Helena Jaczek:** Thank you.

**Mr. Bruce Farr:** Thank you.

**The Chair (Mr. Norm Miller):** Thank you very much, and thank you for coming in today. It's appreciated.

**Mr. Bruce Farr:** Oh, thank you very much.

**Mr. Frank Klees:** Is there any time left?

**The Chair (Mr. Norm Miller):** There are six minutes left. If you'd mind if Mr. Klees—

**Mr. Frank Klees:** Do you mind?

**Ms. Helena Jaczek:** I might want two minutes more.

**Mr. Frank Klees:** I'd like to take the advantage, if we could, Mr. Farr.

**The Chair (Mr. Norm Miller):** Mr. Klees.

**Mr. Frank Klees:** Yes, thank you. You were for how many years head of EMS at Toronto?

**Mr. Bruce Farr:** In the chief's position, sir?

**Mr. Frank Klees:** Yes.

**Mr. Bruce Farr:** About eight years. I was promoted to the position right after SARS, and I was in the position of chief until I retired in February 2011.

**Mr. Frank Klees:** Okay. During that time, who at the Ministry of Health did you have interaction with? Was it the emergency health services branch of the ministry?

**Mr. Bruce Farr:** That's correct.

**Mr. Frank Klees:** And was there someone specifically that you would liaise with?

**Mr. Bruce Farr:** Well, there were a number of positions. Toronto EMS is the largest municipal land service, so it also has got its complexities. But dealing with the ministry, depending on the issue—if it's an operational issue versus staffing versus a finance issue, there would be different people that we would deal with. I typically would have dealt with Malcolm Bates at emergency health services.

**Mr. Frank Klees:** Malcolm Bates, of course, was also, at one time, responsible for the air ambulance service, before it was transferred over to Ornge. Have you had any discussions with Malcolm Bates about Ornge since you took on your responsibility?

**Mr. Bruce Farr:** On a few occasions. Malcolm's role was to be part of the steering committee on the land review. He has since retired, so he's not in that role any longer, but we had some brief conversations leading up to that.

**Mr. Frank Klees:** When Malcolm Bates testified at this committee, he indicated that the ministry was actually directed not to interfere with the operations at Ornge, notwithstanding that they knew there were some problems there. Did you at any time sense that the ministry would hesitate contacting you if they felt that there was an issue in your service? Did you ever feel that there was any concern that they would be overstepping their bounds? Or did you feel that the ministry was on top of their job when it came to their oversight responsibility of Toronto EMS, for example?

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**Mr. Bruce Farr:** In my situation as the head of Toronto EMS, relationships were the most important

thing for me and I had a good relationship with the folks at the ministry. We worked well together. That's the position I'm in today at Ornge. We're building and strengthening relationships across the system, particularly with our EMS partners, as we look at how we can work better with them to provide service to our patients and the citizens across the province.

My relationship with Malcolm Bates was very professional, a very strong relationship over the years. We had to go to that office for approval of our deployment plan and our budget that we were putting forward to the city and so on.

**Mr. Frank Klees:** How—

**The Chair (Mr. Norm Miller):** Thank you. France, did you wish to use a couple more minutes as well?

**M<sup>me</sup> France Gélinas:** I'll leave him to finish his sentence then I'll jump in.

**Mr. Frank Klees:** I was just going to ask, how many surprise site visits has the Ministry of Health made to Ornge since you've been there?

**Mr. Bruce Farr:** I am aware of two.

**Mr. Frank Klees:** Two specifically?

**Mr. Bruce Farr:** It could be more but I may or may not know about them.

**Mr. Frank Klees:** Okay. And the nature of those were what?

**Mr. Bruce Farr:** Where they dropped in on two of our bases at different times.

**Mr. Frank Klees:** Okay. Thank you.

**M<sup>me</sup> France Gélinas:** When you first were called to work at Ornge, you were not in the position of VP of operations, am I correct?

**Mr. Bruce Farr:** That's correct. I started as a special adviser to operations.

**M<sup>me</sup> France Gélinas:** Was Steve Farquhar still VP of operations when you started?

**Mr. Bruce Farr:** Yes, he was.

**M<sup>me</sup> France Gélinas:** He was. So are you assuming the same role and responsibility that Steve had when he was there?

**Mr. Bruce Farr:** Yes, I am.

**M<sup>me</sup> France Gélinas:** You are. Do you know where he has gone?

**Mr. Bruce Farr:** He left Ornge and upon his departure I was asked if I would step in and fulfill the role until the job was filled. We have plans on doing that in the near future.

**M<sup>me</sup> France Gélinas:** Okay. So there's a plan to post a position as a full-time position at some point in the near future?

**Mr. Bruce Farr:** Correct.

**M<sup>me</sup> France Gélinas:** All right. You mentioned that Mr. Farquhar left Ornge because his contract was over or because he decided to go someplace else or—do you know anything about that?

**Mr. Bruce Farr:** I don't know the details, but he left Ornge.

**M<sup>me</sup> France Gélinas:** He left. Okay. Thank you.

**The Chair (Mr. Norm Miller):** Thank you. Ms. Jaczek.

**Ms. Helena Jaczek:** Since there have been some questions related to your relationship with the Ministry of Health, at the moment, the head of the air ambulance oversight unit is Mr. Richard—

**Mr. Bruce Farr:** Richard Jackson

**Ms. Helena Jaczek:** Jackson. Since he took over, how do you relate to him and his unit? Or do you or your staff—can you just sort of give us a sense—we've talked about daily records going in but how would this look? You were presumably involved in preparing a budget etc., so could you just lay out what the relationship looks like now?

**Mr. Bruce Farr:** I, in particular, have regular opportunities to speak with Richard having to do with a number of projects that I'm working on, but also the daily operations component. Because we do send a daily report that he reviews each morning and he may, in fact, either phone me or send me an email back with some questions on that report and we respond appropriately. So yes, we do have a regular interaction, if you will.

**Ms. Helena Jaczek:** Were you involved in the formation of the next fiscal year's budget in your role as VP?

**Mr. Bruce Farr:** In certain parts of it. It was kind of during the transition time that we were speaking about in terms of Mr. Farquhar's departure and my taking over the position. There were different parts of the budget planning that were going on.

**Ms. Helena Jaczek:** And this was in consultation with the ministry?

**Mr. Bruce Farr:** Yes.

**Ms. Helena Jaczek:** Thank you.

**The Chair (Mr. Norm Miller):** Thank you very much for coming in today. We appreciate it.

Our next witness is Denise Polgar, patient advocate for Ornge. Welcome.

**Ms. Denise Polgar:** Hi.

**The Chair (Mr. Norm Miller):** I just want to confirm that you had received the letter for a witness coming before the committee?

**Ms. Denise Polgar:** Yes, I did.

**Mr. Norm Miller:** Very well. The Clerk has an oath for you to swear.

**The Clerk of the Committee (Mr. William Short):** Ms. Polgar, can you just raise your right hand, please. Do you solemnly affirm that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth?

**Ms. Denise Polgar:** I do.

**The Clerk of the Committee (Mr. William Short):** Thank you.

**The Chair (Mr. Norm Miller):** Very well. Did you want to make an opening statement?

**Ms. Denise Polgar:** I have one, yes.

**The Chair (Mr. Norm Miller):** Okay, very well. Please go ahead.



**Ms. Denise Polgar:** Good afternoon. My name is Denise Polgar and I am the patient advocate at Ornge. Thank you for the opportunity to speak today. I'd like to begin by spending a few minutes explaining my background, my role within the organization and what we're doing to better serve those who matter most to us, our patients.

Let me begin by telling you how I came to Ornge in the first place. In many ways, this position brings together a number of skills I have gained over the course of my diverse career that has focused solely on health care. I spent 10 years as a primary care paramedic with the county of Brant ambulance. This position naturally gave me front-line experience in treating ill or injured people in a mobile environment and ensuring patients got to the care they needed in a timely fashion. From there, I worked as a communications officer in the London central ambulance communications centre. Like their paramedic colleagues working in the field, a communications officer's job is demanding and challenging, involving complex logistics under stressful situations. I also functioned as a training officer in this environment, which involved preparing trainee dispatchers in multitasking, critical thinking and decision-making in simulated and production situations.

Later, I worked as a program coordinator and instructor with Fanshawe College, where I designed and implemented curriculum for the emergency telecommunications program. From there I entered the hospital sector, most recently as an injury prevention specialist at London Health Sciences Centre, concentrating on the development and implementation of injury prevention priority programming that was led by the Toronto program.

In sum, I have worked in pre-hospital care, communications, education and the hospital setting, all aspects which you will find within Ornge. I spotted the posting for patient advocate over the summer of 2012 and it immediately piqued my interest. Like many in the health care sector, I had been following Ornge in the news and thought that it would be exciting and rewarding to play a role in the rebuilding effort for the organization. The opportunity to play a role in having regular, interpersonal interactions with patients to help improve their experience is what made this position truly enticing. The ability to get back into emergency health services and utilize my health care experience to help facilitate patient and family concerns was a perfect balance for me personally and professionally.

I believe that having a person dedicated to handling patient concerns, questions and feedback who is committed to ensuring the organization is acting in their best interests is essential in any health care setting.

The position of patient advocate is brand new to Ornge. In fact, it may be brand new to the field of air medical transport. We have not been able to find any organization similar to Ornge with a position like mine. While we are breaking ground in this industry, it is worth noting that there are patient-relations departments working at hospitals across Ontario. We have consulted

with many of these facilities for guidance and advice in developing this role within Ornge. I personally know and have interacted with a number of patient-relations specialists at hospitals across Ontario, and I feel this is an important role at any facility.

I was honoured to have been offered the position of patient advocate, and I began this new role in September. In the most straightforward terms, I'm here to serve our patients. Every day I interact with them. We speak on the phone; I answer their emails. Sometimes they are unhappy with our service. Sometimes they want to express thanks to the crew that provided transport to their loved ones. Sometimes, they simply want to ask questions to get a better understanding of how our system works. Whatever the case may be, all of this feedback is directed my way. I track the complaints, liaise with the patients and their families, facilitate the process of providing information and ultimately work with patients to resolve issues.

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At all times, I try to put myself in their shoes, imagining the initial anxiety of going through a serious illness, followed by the added stress of requiring transport to a hospital that's hundreds of kilometres away from home, and ultimately not knowing what the outcome of their loved one may be. What would my expectations be for the care of my family? What would I want to know, and how would I want to be treated?

I'm also mindful of the foundation of my position, which is Ornge's declaration of patient values. It is my job to make sure that the organization upholds this declaration. These values were not chosen at random. In fact, they came directly from our patients themselves. Ornge surveys patients on a quarterly basis, and uses the results to identify what the organization is doing well and what needs improvement.

Descriptive comments from last year's surveys were used as the basis for the first draft of our patient declaration of values. Patients were then asked to rate the importance of each of the proposed components. Based on their feedback, a declaration was established that I would like to share with you now. It reads:

"As a patient being transported by Ornge, it is important to me that:

"(1) I am safe from harm in the care of competent, highly skilled staff who provide excellence in my medical care;

"(2) The urgency of my transport will be prioritized according to need;

"(3) State-of-the-art technology and equipment supports my care;

"(4) Staff respond to my anxieties, fears, concerns and questions in my time of need and in an unfamiliar environment;

"(5) The experience is well organized and seamless;

"(6) The environment is clean;

"(7) My family are involved in care and receive timely communication regarding expectations and responsibilities;



“(8) My comfort needs are met;

“(9) I receive compassionate, kind and considerate care by professionals who respect my privacy, religious and cultural background;

“(10) I receive information on the plan and any changes during transport.”

This declaration is posted publicly and demonstrates the commitment to patient care that we all share within the organization.

I want to stress that while I work mainly with patients and their families, I am one part of a larger team that addresses concerns over Ornge's services. If an issue is more serious or involves a more formal examination, I work with Ornge's internal investigations team, which in turn is in frequent communication with the emergency health services branch of the Ministry of Health and Long-Term Care.

I am also frequently in receipt of feedback from other stakeholders, such as health care providers, and I will take the responsibility of directing them through the proper channels. Ornge also has what is known as a care report system, which documents internal and external complaints.

I can't speak too much of what took place at Ornge prior to my arrival, but I am aware that Ornge did not have one central person responsible for interacting directly with patients. Feedback from the public came in to the organization from a variety of different venues, without one person taking ownership of making sure concerns were addressed consistently and timely. Because of this, complaints and concerns were frequently lost in the mix, resulting in lengthy delays in responding to our primary stakeholders, the people of Ontario. This is not acceptable, and I have worked hard to streamline the complaints and patient-relations process to allow people to easily access it. On top of that, we have guaranteed a response acknowledging their comments within two business days of receiving them, with an assurance that their concern will be taken seriously.

Also prior to my arrival, Ornge did not have a central functioning electronic system for tracking and categorizing feedback. Putting such a system into place has been one of my top priorities since arriving at Ornge. This system will allow me to keep an eye on emerging trends and to be able to identify, report and advocate for operational improvements that need to be made. This is an ongoing, long-term goal.

In addition, I recently provided the first of my reports to the Ornge board of directors, which I will be providing six times per year. Because this position is new, it is constantly evolving, and I look forward to seeing what additional steps can be taken to make sure the best interests of our patients are being looked after.

In conclusion, I want to remind everyone that Ornge transports more than 18,000 patients per year. While we'd like to hear from all of these patients or their families, only a small fraction of these patients will get in touch. But when they pick up the phone or type an email with a concern, a question or general feedback, they should expect to be listened to.

That is why I'm here: to listen, to discuss and to facilitate in the hopes of making their patient experience as compassionate and professional as possible. Thank you.

**The Chair (Mr. Norm Miller):** Thank you for that opening statement. We'll go to the NDP. Ms. Gélinas, you have 20 minutes.

**M<sup>me</sup> France Gélinas:** Thank you. It's a pleasure to meet you, Ms. Polgar. Thank you for your opening remarks.

First, could you just give me an example of a call you took recently? Don't share anything we're not supposed to know, but just an example.

**Ms. Denise Polgar:** I recently received a complaint from a family with regard to medical protocols that were done on their loved one. That was just yesterday, so that's the minimal amount of information that I have.

**M<sup>me</sup> France Gélinas:** Okay. Take me through some of the steps that you would go through.

**Ms. Denise Polgar:** I got a voicemail, so I returned that voicemail to the family. I get further details from the family as to what the complaint is and what their expectations are to determine what steps need to be taken in order to find out the answers for them. From that, I describe the process of the complaint and how that works with what we will do in order to look into those details. I then enter that into our electronic tracking system with all of their contact information, the basis of their complaint. Once I do that, that is then activated to various people in the organization—our investigations team, our VP, the director of operations—so then they're aware of it. From there, that starts the ball rolling in determining what actions or investigations need to take place, depending on the complaint.

**M<sup>me</sup> France Gélinas:** In the short time that you've been there—I realize you haven't been there for years and years—has there ever been a complaint where, after you've tried your best, the family was still unhappy?

**Ms. Denise Polgar:** I haven't had that happen yet. However, when that does occur, if we've gone through the process of follow-up and the family has further concerns, we'll then go back and find out additional information. From there, if they are still not happy with that process, I would then take that to the board of directors for consultation to find out what decisions we need to make. Potentially—did I say to the board of directors or executive team? Both; I have the option of doing both. Obviously, the ministry may or may not be involved at that time, and I would then notify them as well.

**M<sup>me</sup> France Gélinas:** The process you've just explained to us, that particular example, looks very much like what they do in the hospital. They don't always call them patient advocates, but it sure feels like it's similar. Would you say that it is similar?

**Ms. Denise Polgar:** We have modelled this process from patient relations departments in hospitals. So I would say that we mirror what they are doing and we're learning a lot from them.

We have some unique aspects within our organization, but that is the model that we're using and learning from.



**M<sup>me</sup> France Gélinas:** Because you're under the Ambulance Act rather than being under the hospital act?

**Ms. Denise Polgar:** And their patient relations are dealing solely with the patients themselves. Right now, I'm fielding complaints from others as well. Patients and families always take priority; they're always who I deal with first. But I am fielding other complaints from stakeholders, from communication centres—not a lot, but some health care providers, and our hospitals as well.

**M<sup>me</sup> France Gélinas:** Okay. I thank you for that. I don't know if you know, but with the process that exists within our hospitals—and you're following something quite similar—there are hundreds of people who are not satisfied with the best answers that they're getting from the patient advocate. Those people tend to turn to the Ombudsman because the Ombudsman is an independent third party who can do investigations for them.

In the process of a patient and family working with the patient advocate, sometimes what happens is that they lose faith in the hospital that did not treat them well, so they start to complain. They deal with a patient advocate who could be very skilled at what they do, but just cannot help this family turn the page.

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The process ends at some point, and the communication is: The hospital has done as well as they can, they've given them everything they could, they tried to accommodate them as best they can. Some of the patient advocates have years of experience and are really good, but there are still some that are not satisfied, and those people turn to the Ombudsman.

Do you see a role for something like this for Ornge, if it ever happens that it doesn't matter—all your experience, your skills, your goodwill and your directive—that if a family is not satisfied and turns to the Ombudsman, that they could have the Ombudsman do an investigation for them?

**Ms. Denise Polgar:** The first thing that comes to mind is, we internally would like to exhaust all opportunities—

**M<sup>me</sup> France Gélinas:** Of course, yes.

**Ms. Denise Polgar:** —and go through all the appropriate leadership channels to see if we can resolve the issue with the family. Then, we would also work with the ministry and their guidance for suggestions and recommendations that could be changed depending on the complaint.

As for the Ombudsman, I would personally be happy to have any help that has to do with improving the patient experience if the policy-makers feel that that is something that needs to be done. If that is what's deemed as appropriate, then I would work with that person and any department that could help improve the patient experience.

**M<sup>me</sup> France Gélinas:** Okay. We'll let it go around, and we'll have our second round of questions after.

**The Chair (Mr. Norm Miller):** Okay, very well. We'll move to the government, then. Ms. Jaczek?

**Ms. Helena Jaczek:** Ms. Polgar, just to get back to some of your experience—originally a primary care paramedic?

**Ms. Denise Polgar:** Yes.

**Ms. Helena Jaczek:** And then moved, was it, to dispatch?

**Ms. Denise Polgar:** Yes.

**Ms. Helena Jaczek:** That was in London, was it?

**Ms. Denise Polgar:** Yes.

**Ms. Helena Jaczek:** I'm just trying to get from your background—you have a very good understanding, then, certainly, of land ambulance and of all the steps in the process, in terms of whether it be inter-facility transport or whether it be from a scene to an emergency room, and so on. Would you say that that's fair, that you understand the system?

**Ms. Denise Polgar:** I understand the system, but I think that Ornge has some unique aspects that I'm learning about every single day that differentiates it a little bit. But the basis of emergency medicine, yes.

**Ms. Helena Jaczek:** That intrigues me. What is so unique about air ambulance?

**Ms. Denise Polgar:** I'm honestly still learning how that works, but even with the triage process—they have transport medical physicians, which is a whole new world for me to understand in the communications centre; the resources; the time that it may take to do one particular call; the matrix of the paramedics and the levels that they have, and how that works, all make some of those things unique, that I'm still learning about.

**Ms. Helena Jaczek:** So they actually, in essence, have some additions. When we went on our tour, I hadn't been aware that there was a 24/7 physician sitting right there in the dispatch—

**Ms. Denise Polgar:** Yes.

**Ms. Helena Jaczek:** The intensity and concentration and focus is beyond what I'm used to in terms of the land ambulance system, so that, no doubt, does provide extra—as you've said—issues, potentially, for you to deal with.

You do have a background in teaching and education, as well?

**Ms. Denise Polgar:** I do, yes.

**Ms. Helena Jaczek:** Have you found that helpful in terms of your role as patient advocate?

**Ms. Denise Polgar:** I think I've taken a little bit from every little part of that to help me in this role right now. Getting reintegrated into health, back into the emergency services, is going to take a little bit of time. There's a lot I need to study. There are new people that I need to meet, relationships that I need to build, and a better understanding of that happens every day. With every complaint I deal with, I learn a little bit more.

**Ms. Helena Jaczek:** In terms of the complaints that you're dealing with: As we know, Ornge deals with many, many inter-facility transports. Could you give us some numbers? How many are related to almost routine transfers? How many are connected to emergency on-scene? How many are from some of these other stakeholders that you've mentioned? Could you just give us a breakdown with some numbers since you've started—



what we're dealing with in terms of numbers of complaints.

**Ms. Denise Polgar:** With complaints?

**Ms. Helena Jaczek:** Yes.

**Ms. Denise Polgar:** I've started tracking data in that electronic program. There's more opportunity and additional fields to break down. Are the bulk of our complaints coming from inter-facility transfers, or emergency transfers? That's not something that I've done just yet. But we have been tracking who does the bulk of the complaining and has issues with our service.

It's important for me to also say that I don't think I have an accurate number at this point, because they used to come in on all different kinds of venues. As my role increases and people are more aware of what I'm doing, that's starting to be filtered. But I don't think that my numbers are perfect. But it really actually is our stakeholders who have the bulk of concerns with our care.

**Ms. Helena Jaczek:** Rather than patients and families?

**Ms. Denise Polgar:** From the last information, a report that I provided to the executive and the board of directors, 12% came from the patient, 7% came from the family, 50% came from our stakeholders and whatever's left there actually came from the general public.

**Ms. Helena Jaczek:** I see. Your position in Ornge is well-known to the whole organization, I assume, the paramedics—I mean, there was an announcement, I presume, when you started?

**Ms. Denise Polgar:** Yes.

**Ms. Helena Jaczek:** Because you said now your office is becoming better known, obviously calls are coming directly to you.

**Ms. Denise Polgar:** Yes.

**Ms. Helena Jaczek:** But I presume everyone in the organization has the ability, if they hear some sort of rumbling or unhappiness in general, that they know that you're there and they direct people to you. Would you say that's sort of the feeling that you're getting?

**Ms. Denise Polgar:** Yes.

**Ms. Helena Jaczek:** You're hearing from people.

**Ms. Denise Polgar:** I'm hearing from people, to the point where they may call me and even ask, "Is this something that you should be dealing with?" or "Is this something that we give to you?"

**Ms. Helena Jaczek:** Yes.

**Ms. Denise Polgar:** Sometimes it's just general questions, but, yes, I would say every day that that's increasing and getting better.

**Ms. Helena Jaczek:** What I'm trying to get at here is sort of a culture of openness, of addressing issues. Would you say that that's the way you're finding it now that you're there in Ornge?

**Ms. Denise Polgar:** I actually think that there's some relief by the staff that my position is in place so that I can handle that properly and through the proper processes, so I have had nothing but transparency from everybody within the organization.

**Ms. Helena Jaczek:** Of all these complaints that you've had to date, how many, or what percentage have you perhaps not been able to resolve?

**Ms. Denise Polgar:** We do have open cases that are still continuing. I'm just starting to track the satisfaction from the stakeholder or the family or patient. It hasn't come about yet where they haven't been pleased with the outcome—yet.

**Ms. Helena Jaczek:** That sounds very positive. Now, you mentioned developing your program, your role, very much modelled on what we all know is available in hospitals, in patient relations and so on. In terms of that process, can you just sort of outline to us how that worked, how you modelled your position on their process? I mean, you've talked about tracking and so on. We know hospitals do patient surveys. Was this part of what you instituted? Just sort of lead us through the parallels between the two.

**Ms. Denise Polgar:** Okay. Yes, some of it was developed by the surveys from the patients with the feedback that they've been providing. We also use a process map, similar to what the hospitals use, to help direct us, depending on what the issue or complaint is on how that process is going to work. That process was developed before I came. I have been asked, or consulted with the executive team on that process, if there needs to be additional changes. But it's very much modelled by the hospitals.

**Ms. Dipika Damerla:** Thank you. I just had a couple of questions. I was trying to follow your answers. I don't think we got a number on the volume of calls you field. Would you be able to give me some idea monthly, weekly?

**Ms. Denise Polgar:** Sure. When we started the electronic program—it was in March 2011 to March 2013—all the numbers all together, compliments, complaints and inquiries, because there is distinction between them, has been 246.

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**Ms. Dipika Damerla:** Two hundred and forty-six over a two-year period.

**Ms. Denise Polgar:** Yes.

**Ms. Dipika Damerla:** Okay. I was very intrigued by the fact that—I did the quick math—80% of the calls or requests that come to you are not patient related, because 12% are patients, 7% are family, so that's about 19%, 50% are stakeholders and then the balance, 30%, is the general public.

**Ms. Denise Polgar:** Yes.

**Ms. Dipika Damerla:** So given that 80% of it is non-patient directly, I'm just curious, given your position as patient advocate, how does this 80%—how do you deal with it or do you find that the calls are invariably or mostly still patient related? I'm just intrigued by the numbers and the breakdown.

**Ms. Denise Polgar:** Some of them are patient related, some of them aren't. And we are working with the executive to determine the extent of my role with the stakeholders and what that means. But at this point, I'm able



to review the incident reports and see if there's any opportunity for a systems improvement when it comes to those complaints that are stemming outside of the family and patient area. Does that answer your question?

**Ms. Dipika Damerla:** Not quite. So the stakeholders, when they call you, they're calling you on behalf of patients or with their own concerns? Have you sort of become a patient advocate cum stakeholder advocate? That's what I'm trying to figure out.

**Ms. Denise Polgar:** Sometimes the stakeholders may have a concern about a patient; sometimes it may be completely non-related to a patient.

**Ms. Dipika Damerla:** And you're able to respond to stakeholder concerns even though they are not patient related?

**Ms. Denise Polgar:** I'm able to facilitate the process. At this point, that's what my role would be, to facilitate the process, activate the proper process and get the appropriate people involved.

**Ms. Dipika Damerla:** My second question is that when you were answering Madame Gélinas, you gave an example of a patient call by family which was of an operation or a procedure done on a patient.

**Ms. Denise Polgar:** Yes.

**Ms. Dipika Damerla:** Would that procedure have been done on an Ornge plane or would it have been done at a hospital?

**Ms. Denise Polgar:** For this case, it was done at the hospital.

**Ms. Dipika Damerla:** I'm just curious why the call would come to you and not to the patient advocate at that hospital?

**Ms. Denise Polgar:** Because they questioned our medical protocols and what the crew was doing while they were getting the patient ready for transport.

**Ms. Dipika Damerla:** So you have well-defined protocols to ensure there's no duplication between what a hospital advocate would be doing and what you as a patient advocate at Ornge is doing?

**Ms. Denise Polgar:** Right.

**Ms. Dipika Damerla:** That's what I'm getting from your answer.

**Ms. Denise Polgar:** If there is question about something that the hospital has done, then we could work with the hospital and their appropriate leadership in the entire complaint process, depending on what that complaint is.

For example, I have dealt with a hospital up in the north. When it came to deciding or determining if a patient was eligible for transfer, it was literally a teleconference between our communications centre leadership, the hospital and ourselves to discuss that and come to a consensus together on what was best for the patient. It hasn't happened yet, but tomorrow we have that teleconference to provide those findings with the hospital, myself and the family.

**Ms. Dipika Damerla:** Okay. Thank you. Any questions?

**Ms. Helena Jaczek:** We'll have some more, but I think we—

**The Chair (Mr. Norm Miller):** Very well, we'll move on to the opposition, then. Mr. Klees.

**Mr. Frank Klees:** Yes, thank you.

An interesting responsibility you've taken on. Can you tell me how you were hired? Was there an open competition for the position?

**Ms. Denise Polgar:** There was an open competition for the position. I found it online. I had two interviews. The first interview was with human resources and the VP of clinical affairs, and then the second interview was a larger panel that also included the interim president.

**Mr. Frank Klees:** Given your experience professionally as a primary-care paramedic and the other things that you've done, how much input did you have in actually shaping the role itself?

**Ms. Denise Polgar:** There was a framework, when I first came into place; however, I am finding that leadership and staff are open to suggestions. In my opening statement, I talked about having a system to electronically track and analyze and then report on the data; that was my recommendation. Improving our time frames was also my recommendation. So I have found that they've been very open with evolving the role and improving it.

**Mr. Frank Klees:** Your experience as a dispatcher obviously places you in an excellent position to evaluate the improvements that would be needed in order to make Ornge 24/7 ready. I can imagine that, you being on the front lines, there can be nothing more frustrating than to dispatch a call and to find out that a crew isn't ready or that equipment isn't ready. From what I read, one of your responsibilities is to make recommendations.

My question really is twofold: First of all, are you engaged at this point, in terms of liaison, with dispatchers in your communications centre to get some input from them in terms of how things are going, or are you picking up from some calls that you're taking, as the patient advocate, that that continues to be an issue? Finally, when you receive those calls, have you been able to have some input to management on areas that you feel can be improved?

**Ms. Denise Polgar:** I think you asked me three questions—

**Mr. Frank Klees:** I did.

**Ms. Denise Polgar:** Just let me know if I don't answer each one, okay?

**Mr. Frank Klees:** Okay. I'll keep track.

**Ms. Denise Polgar:** Okay. My focus right now has been on getting a system in place in order for me to be able to track and then analyze what those issues are. Without a program of that nature I won't be able to provide the facts and reveal things that are of issue in our organization. My other has been working on time frames. What I mean by time frames is not call response time frames. Time frames, for us, in order to get back on the complaint, are follow-up and the resolution process. Sorry I didn't specify what those time frames may be.



When it comes to systems improvement quality initiatives, that's a long-term goal. Once I'm able to analyze that information and report on it, I'll then be in a better position to provide those suggestions and recommendations moving forward.

**Mr. Frank Klees:** Okay. We have, as part of our volume of documents here, one particular document that caused us a great deal of concern at this committee, and that was a number of incidents—it was an incidents document that was a cabinet document presented to cabinet monthly, from what we understood, that listed numerous incidents that were reported in which Ornge was not able to respond or Ornge responded and they weren't able to take the patient on board because the paramedics declined them because they were single-staffed and weren't capable of taking them on, or incidents where the communications or the dispatchers got it wrong. So, my question to you is, since you've been in your position, of the 246 calls that you've had, have any of those calls involved similar incidents? Let's deal first of all—have there been any incidents where a patient was not able to be taken on the aircraft because of whatever the circumstances were?

**Ms. Denise Polgar:** From those 246 complaints, I've only been part of a fraction of them. They occurred before I came into play. So I can't recollect, from those 246, what the findings were for all of them.

**Mr. Frank Klees:** So the 246 are not the ones—you haven't been there for all of those 246?

**Ms. Denise Polgar:** No. that was from March 2011 to March 2013.

**Mr. Frank Klees:** Okay. From the time that you were there, my question is did any of the calls that you're familiar with—because I'm assuming that all of the calls in the time that you came on are now coming through you?

**Ms. Denise Polgar:** Yes.

**Mr. Frank Klees:** You see them all.

**Ms. Denise Polgar:** Yes.

**Mr. Frank Klees:** Did any of those calls involve circumstances where a patient was not able to be taken on the aircraft because of single staffing or any other circumstances, as we've had in the past?

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**Ms. Denise Polgar:** I'm not recollecting any specific complaint about staffing and them not being able to go, but maybe this will help you a little bit: I have been tracking what the complaints are in categories, and our two major concerns are delay and communication.

**Mr. Frank Klees:** When you say delay and communication, so that we understand correctly, that would be a delay in communication on what end? Is that from the time that Ornge gets the call to the time the call goes out? Please help us with defining that.

**Ms. Denise Polgar:** Delays may be time to get to the sending facility; it could be time on scene, so how long they're spending in the hospital. The communication may be that the stakeholder was not provided an update with when we would be arriving, or something to do with

medical care. There has been a variety, and I've actually been asked through our executive team to break that down even further, so that's something that I'm going to start tracking in the future.

**Mr. Frank Klees:** Do you provide a daily, weekly or monthly report to your executive team?

**Ms. Denise Polgar:** I just got approved to provide a report to our executives six times a year or as required. If there is a complex case where consensus cannot be reached, I can call upon the executive to meet and get consultation from them on further action.

**Mr. Frank Klees:** Six times a year seems a not very frequent reporting time. If I was on the executive of this organization, knowing the history, seriously, I'd be asking for a weekly report from you so that I could properly monitor the progress. I'd like to know what the complaints are, how they're going. But that's interesting.

**Ms. Denise Polgar:** Something I didn't include was that I do have a weekly meeting with my VP as well.

**Mr. Frank Klees:** And your VP is?

**Ms. Denise Polgar:** For clinical affairs, Jo-Anne Oake-Vecchiato.

**Mr. Frank Klees:** So do you provide her a written report every week?

**Ms. Denise Polgar:** I provide her a summary sheet of outstanding complaints or inquiries. That includes some information about what the complaint is and where we are in the progress or the process.

**Mr. Frank Klees:** Okay. Could we get a copy of those weekly reports that you're presenting to your VP?

**Ms. Denise Polgar:** I think the only thing that would concern me is patient confidentiality, because those reports have patient names and confidential information on them. But if I'm instructed to do so by the powers that be, then—

**Mr. Frank Klees:** We're happy to have the names redacted; that's not the issue. I think what is important for us is that we know what the flow of information is and what the nature of that information is. We don't want any personal health information, but I think it certainly will give us a sense of what is in place to have that information flow.

Can I ask you your opinion? You've been there now a few months—

**Ms. Denise Polgar:** A little bit.

**Mr. Frank Klees:** —and you've made some reports. Obviously, some of them, I would think, with your background, would be concerning. Delays—all of these things—impact on patient outcome. Can you share with us an example of an incident where, as a result of input that you've had, you have made a recommendation as to an operational change or a system change that would prevent or would help fix what's wrong?

**Ms. Denise Polgar:** The one case that sticks into my mind is, I got a call from a family concerned that they weren't eligible for transfer under our criteria. I then had conversations with the hospital to discuss the patient's current condition, what has happened in the past with our communications centre and what they were told. From



that, I was able to agree with our communications centre that this patient was eligible for transfer, and that the next time that she has a treatment set up—for a treat and return—that she will be transported by Ornge based on her current condition.

**Mr. Frank Klees:** Good.

**The Chair (Mr. Norm Miller):** Sorry to interrupt, Mr. Klees, but just for clarification for our Clerk's sake, what you were asking for from the—

**Mr. Frank Klees:** Yes, I was asking for the weekly reports that are being delivered to the vice-president of the incidents that she has received in the course of that week, from the time that the witness took on her responsibilities there.

**The Chair (Mr. Norm Miller):** Fine, and if I understand correctly, with the personal health information redacted?

**Mr. Frank Klees:** With the personal health information and the names redacted.

**The Chair (Mr. Norm Miller):** And the names redacted. Very well. Sorry for the interruption.

**Mr. Frank Klees:** Am I finished or were you just interrupting me?

**The Chair (Mr. Norm Miller):** I was just interrupting you.

**Mr. Frank Klees:** Okay. Can you, apart from—I'm assuming hospitals are one of the stakeholders?

**Ms. Denise Polgar:** The main stakeholder.

**Mr. Frank Klees:** The main stakeholder from whom—any other stakeholders that you're getting calls from?

**Ms. Denise Polgar:** Sometimes the complaint may come through in an electronic form. Sometimes we may receive complaints from local EMS services as well, but it's mainly hospitals that tend to use that form.

**Mr. Frank Klees:** And the nature of the complaints that you would be getting from local EHS would be what?

**Ms. Denise Polgar:** They may question the priority of a call; they may question a delay in response. Just off the top of my head, those are a couple of things that they may complain about.

**Mr. Frank Klees:** Okay. You indicated that you can report to the executive team and/or the board of directors.

**Ms. Denise Polgar:** Yes.

**Mr. Frank Klees:** And is that at your will? Should you feel the need, you can make that appointment and be there to report?

**Ms. Denise Polgar:** Yes. It has been communicated to me many times that I have access to the executive team, the board of directors and the president, with an open-door policy, if I have any concerns that need to be addressed or if we've reached a stalemate or have stalled in the process of dealing with this complaint. At no time have I felt that I don't have that option when I need it.

**Mr. Frank Klees:** Good. That's very positive. Paramedics: Have you had occasion to take any calls from paramedics on any matter?

**Ms. Denise Polgar:** At this point, it's professional practice standards that deals with complaints from paramedics that are non-patient related. So if I even did receive a call, I would then forward that to the professional standards department.

**Mr. Frank Klees:** Okay, and if the paramedic felt that it was an incident that involved a patient matter, they couldn't call you?

**Ms. Denise Polgar:** They could.

**Mr. Frank Klees:** They could?

**Ms. Denise Polgar:** Sure, they could.

**Mr. Frank Klees:** And you would accept their call?

**Ms. Denise Polgar:** Absolutely.

**Mr. Frank Klees:** I'm just trying to get a sense of whether people get channelled where they don't want to be. If they say to you, "Look, I really would like to talk to you because I think I'll get a hearing from you," you won't turn them away?

**Ms. Denise Polgar:** Absolutely not. Like I said before, I'm one part of the system. So even if a complaint comes in, it activates more than just myself. So even if they called somebody else and it went into our system, I'm immediately alerted of that issue, and I can get involved if I feel it's a patient-care issue or something about the patient experience that can be improved.

**Mr. Frank Klees:** Okay. Back in June of last year, Ornge was about to request a lowering of standards from the Ministry of Health. Specifically, it had to do with the issue of a single-paramedic response or the type of paramedic qualification that could be on a flight. The rationale for Ornge at the time was, "We'd rather make a flight with unqualified or lower-qualified paramedics than not being able to make the flight."

My understanding is that that didn't happen at the time. We challenged the minister on it. We know that the application for that watered-down standard had been prepared. Are you aware of anything within Ornge that is in the works now? Is that something that you, with your background as a paramedic and certainly the work that you're doing now—would you support or think it would be appropriate in any way to water down the standards of care that are currently in place?

**Ms. Denise Polgar:** That is really beyond my level of expertise and my mandate within the role at Ornge, so I don't think I'm in a position to answer that.

**Mr. Frank Klees:** Well, let me ask you then, as a paramedic or a former paramedic, do you think that it would be appropriate for an organization—or would you, as a paramedic, want to be placed into a situation where you're asked to go out on a call, knowing that the standards of care prescribed by your profession are being compromised?

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**Ms. Denise Polgar:** I think I would look to my leadership to determine what best works for the organization. My job as a paramedic was to do what I could for those patients in whatever circumstance I was in. So I think that's probably the best thing that I would do; I would do what I could for my patient at the time.



**Mr. Frank Klees:** Can I rephrase this? Standards of care are set by a profession. Do you believe that a paramedic, a nurse, a doctor has a first responsibility to the profession and the professional standards, or to the employer, who may decide that the standard of care set out is too high, isn't necessary? Who rules here? Is it the employer or is it the profession, in your opinion?

**Ms. Denise Polgar:** For me, the driving force is always the patient and doing what's best for the patient. I think morally, a paramedic is driven by providing the best care they can to the patient and providing a really high patient care experience for those people who they care for.

**Mr. Frank Klees:** And those standards are set by the profession?

**Ms. Denise Polgar:** Yes.

**Mr. Frank Klees:** Thank you.

**The Chair (Mr. Norm Miller):** Thank you very much. We'll move on to the NDP. Ms. Gélinas.

**M<sup>me</sup> France Gélinas:** I only have some odds-and-sods questions. They have no relationship to one another.

The first one is, you are report to the leadership—that is, the board of directors or the executive director; I'm not too sure—six times a year. Have you done a report so far?

**Ms. Denise Polgar:** Just to clarify, I report to the executive six times a year, and then a report is provided to the board of directors six times a year. And yes, I have.

**M<sup>me</sup> France Gélinas:** And who prepares the one that goes to the board?

**Ms. Denise Polgar:** I prepare it.

**M<sup>me</sup> France Gélinas:** You prepare both?

**Ms. Denise Polgar:** Yes, I do.

**M<sup>me</sup> France Gélinas:** Okay. Would you mind sharing those with us?

**Ms. Denise Polgar:** I can't see any reason why not.

**M<sup>me</sup> France Gélinas:** Okay. How many have you prepared since you've been there?

**Ms. Denise Polgar:** Since I've been there, it's been three.

**M<sup>me</sup> France Gélinas:** Three? Okay. Very good.

**Ms. Denise Polgar:** But before we determined how often this was going to take place, it was my recommendation to set up some sort of process so that it happened on a regular basis. For right now, what we agreed upon was six times per year, and then any time I feel it's necessary that they get pulled together; and I provide those reports.

**M<sup>me</sup> France Gélinas:** When you were first hired or since you've been hired, have you heard anything about a whistle-blower policy?

**Ms. Denise Polgar:** Yes, I have.

**M<sup>me</sup> France Gélinas:** How did you find out?

**Ms. Denise Polgar:** I believe it was emails through our communications centre about a whistle-blower policy, how we can access it and what it meant.

**M<sup>me</sup> France Gélinas:** Do you remember what it said?

**Ms. Denise Polgar:** This is where things get cloudy for me, probably because I wasn't really concerned about

it at the time. But I know that it's very visible on our website if I want further details about how to report. I know it's from a third party and I know the process of accessing that policy if I want to talk to anybody.

**M<sup>me</sup> France Gélinas:** Have you referred anybody to the whistle-blower policy?

**Ms. Denise Polgar:** I haven't felt the need to provide that information, but if it came about, then I certainly would.

**M<sup>me</sup> France Gélinas:** All I have to say is, thank God.

Coming back to your job—forget the whistle-blower; they're a bunch of questions that are not related—if a patient goes to your website, how easy is it to find out how to put in a complaint with you?

**Ms. Denise Polgar:** This is where I think a huge improvement has been made since I've started. If they go to our website, there are multiple ways to make complaints, requests or inquiries. Through our main webpage, there's "Contact us" information, and they can click on that; or they can click on a "patients" tab, which opens up my profile and what I do. From there, they can either call me by direct line, there is a direct email address, or they can fill out a form—whichever one they prefer.

**M<sup>me</sup> France Gélinas:** The concern that comes from the general public—which seems to be a big percentage of the concerns; you said 12% patient, 7% family, 50% stakeholder, and the rest of them being—that's still a fair amount.

**Ms. Denise Polgar:** Yes.

**M<sup>me</sup> France Gélinas:** Who are they, and what are they talking about?

**Ms. Denise Polgar:** Some of them may be making noise complaints about our vehicles. Some of them may be inquiries about our academy: "How do I become a paramedic? What do I need to do? Who do I need to talk to?" Some may just have general questions about our system: "I'm an organ recipient; when things happen, what services do you provide?" General questioning, mostly. Those are probably the bulk of the ones that I can think about right now.

**M<sup>me</sup> France Gélinas:** Okay. No more questions.

**The Chair (Mr. Norm Miller):** We'll move to the government. Ms. Jaczek?

**Ms. Helena Jaczek:** You've now got your electronic database, and it's being sent to various people. In terms of the Ministry of Health, what's the reporting relationship? Do you have a direct reporting relationship?

**Ms. Denise Polgar:** When the complaint comes through on the system, our investigations department determines if it meets criteria for the ministry to be notified immediately. I've presented in front of the ministry once about my role and how we're doing there, and I attended one investigations meeting to meet all of them and start to learn about what that process is. Then I've had a couple of conversations about a few complaints and, if they're running their own investigation, what's happening with that—what has the communication been with the family, and how will we work in conjunction with each other to communicate with the family.



**Ms. Helena Jaczek:** So this is where they've called you?

**Ms. Denise Polgar:** Or I call them.

**Ms. Helena Jaczek:** So you feel totally free to have that kind of interaction.

**Ms. Denise Polgar:** Yes.

**Ms. Helena Jaczek:** Who is on this investigations unit? You said it goes there.

**Ms. Denise Polgar:** There's a director, a manager and a coordinator for investigations. They do all the fact-finding and develop the report, then that goes to the leaders and me for review to find out what happened in the process of the complaint.

**Ms. Helena Jaczek:** That always comes back to you, and you can decide whether you're satisfied with the investigation?

**Ms. Denise Polgar:** Well, it's not my determination. The family needs to decide if they're happy with that—

**Ms. Helena Jaczek:** Yes. You're their advocate, so you convey to them, "This is what we found," and then they respond to you.

**Ms. Denise Polgar:** Yes, and I'm not the only one involved. If families have questions about the process, I certainly can't answer to operational decisions of what happened, so the most appropriate, or what we call the most responsible person is almost always on the telephone call, as well, to explain those particular operational decisions to the family or to the patient. I then facilitate that process.

**Ms. Helena Jaczek:** Right.

This Quality Improvement Plan—are you familiar with this document?

**Ms. Denise Polgar:** Somewhat. I have some homework to do.

**Ms. Helena Jaczek:** There is something here in appendix A that I find interesting. Every year, it is the expectation of the ministry that a quality improvement plan is produced, so this is the one that was produced for 2012-13, and what it says is:

"The annual quality improvement plan must be developed having regard to at least the following:

"—The results of the surveys;

"—Data relating to the patient relations process."

In terms of these surveys, does something go out to every single patient served by Ornge?

**Ms. Denise Polgar:** The process for sending out patient surveys is that they can only get the survey once, and it has to be within six months of transport. I think we've been averaging between 800 and 1,000 patients every three months, and that goes out to them to provide feedback to us, then all our results are posted on our website as well.

**Ms. Helena Jaczek:** What sort of response rate do you get to that survey?

**Ms. Denise Polgar:** In general, if you wrap them all up—I'm only taking a guess, but it was very high.

**Ms. Helena Jaczek:** It was high?

**Ms. Denise Polgar:** Yes.

**Ms. Helena Jaczek:** Did you develop that survey, or were you involved at all?

**Ms. Denise Polgar:** The survey happened before my time, but I'm now leading the metrics of that survey, and I review the questions from time to time to see if there's a different question we need to ask, or if it needs to be rephrased, or if the question is valid—if it's been validated. It does evolve and it does change, depending on what feedback we're looking for.

**Ms. Helena Jaczek:** And, presumably, what you're hearing out there. If there's some new aspect that hits you, you might want to zero in on a particular aspect, I presume.

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**Ms. Denise Polgar:** Yes. I can give you an example of that: We saw that the patients responding were starting to get a little concerned about blankets that they were receiving in the winter. So then from there, I can work with the operations managers to say, "Are we providing enough blankets? If we're not, this needs to be reminded." We can put that in a newsletter; I could put that out in one of our weekly updates, to remind the paramedics about meeting basic care needs and keeping our patients warm and what that means.

**Ms. Helena Jaczek:** Do you know if you're going to have input to the quality improvement plan, the 2013-14?

**Ms. Denise Polgar:** I think that's a great question, and I will definitely ask my vice-president to be on that.

**Ms. Helena Jaczek:** Okay, thank you.

**The Chair (Mr. Norm Miller):** Any other questions from the government?

**Mr. Phil McNeely:** What kind of staff do you have to handle all these complaints—

**Ms. Denise Polgar:** I am it, but I work with various other departments that help me. So I don't have to run the investigation on my own.

**Mr. Phil McNeely:** Somebody else does that.

**Ms. Denise Polgar:** Somebody else does that. And depending on who the most responsible person is, I work with them. So even though I'm the only patient advocate, I have a good amount of team members to help me throughout that process.

**Mr. Phil McNeely:** Thank you.

**The Chair (Mr. Norm Miller):** We'll move back to Mr. Klees. Go ahead, Mr. Klees.

**Mr. Frank Klees:** You were in your job on November 23, 2012, I'm assuming?

**Ms. Denise Polgar:** Yes.

**Mr. Frank Klees:** Do you recall the incident in the region of Waterloo? There was a situation where Ornge responded to an incident and we had that incident of a single paramedic responding. I'm going to read a quote from John Prno, who is the manager of the Waterloo EMS:

"The air ambulance knew it couldn't transport the woman found trapped in her rolled over car before it left London.

"He was concerned by what happened....

"Ornge has had some significant staffing woes ... sometimes they launch aircraft with one paramedic on



board, without enough to care for a critical patient like that,' he said.

“Having a speedy response with a lower level of care, that’s a problem.”

Do you recall getting a call from the EMS in Waterloo regarding that particular incident?

**Ms. Denise Polgar:** I have no recollection of that call or any involvement in that. It’s not ringing a bell to me, no.

**Mr. Frank Klees:** Well, what’s interesting about that is that this made the news—I think it was on television, it was in print media; it was very widely reported—and you, as the patient advocate, or the point person, wouldn’t have known about this?

**Ms. Denise Polgar:** With the information you’ve provided me, it’s not coming to me. Without looking at my records, without looking at my data, I don’t know if I’m aware of this—

**Mr. Frank Klees:** I would think that what you may want to do is get a newspaper clipping service or something for your department, because we certainly knew about it, and I would think you would want to.

Here’s a quote from Mr. Farr, who was asked about this: “From time to time, we find ourselves in a situation where a staff member either books off sick or they’re not feeling well and they have to go, so we’re left short. (In those cases) we believe it’s in the best interest of our patients across Ontario to launch a helicopter to assist the land EMS crews.”

This goes back to the issue that I was following up with you just a bit earlier, and that is standard of care. The EMS manager was not impressed. The EMS manager is saying, “Look, it’s not good enough for you to send a single paramedic. That doesn’t help us.”

What I’m concerned about, and the reason that we continue these hearings, is that I would think, obviously, you’re providing value-added to this organization. We want to make improvements. The job of Mr. Farr, in my opinion, is not to make excuses about people being off sick; the job is to staff up so that we know that 24/7 we do have the appropriate number of people on staff so that when the calls come in—you’ll be out of business. You shouldn’t have a job, with all due respect. You should be on the front line providing the paramedic service. We shouldn’t have to have a full-time job to take complaints about an emergency helicopter service in the province of Ontario.

This has got nothing to do with you. I’m hopeful and I think you’re already providing some help in getting this organization levelled out, but it concerns me, as a member of this committee, to continue to hear, even today from Mr. Farr, that that’s the way it is. People get sick; we know they do. Because we know they get sick and because we know that there are going to be incidents when people aren’t going to show up for a job, surely we have the ability to staff up and surely we have the ability to make the necessary arrangements so that people in Ontario who need air ambulance and call are not going to be disappointed.

I wish you well in your job, but I hope soon enough you’ll be out of a job.

**Ms. Denise Polgar:** Okay.

**The Chair (Mr. Norm Miller):** Thank you. The auditor had a question?

**Mr. Jim McCarter:** Just a quick follow-up question—something Mr. McNeely was saying. We were talking about staffing, and you mentioned that you’ve got a lot of complaints and no staff, and often when you get a complaint you would refer it to one of the areas in Ornge to investigate and report back to you. It’s a little bit like sometimes the situation we auditors get into. We go out and people report back to us. Often they tell us what they think we’d like to hear. When you go to, say, the Thunder Bay base and you’d say, “We got this complaint; could you report back to me, Thunder Bay, on what happened?”, do you see any risk that what they report back to you might be slanted, in a sense, to—how could I put this?—to protect what they did and may not be totally accurate? Do you see any risk there, and how do you handle a situation like that? I’m just curious, because we face that as auditors all the time.

**Ms. Denise Polgar:** Okay. I think the processes are set in place in order to get the appropriate and factual information. One of those is through an incident report. That is governed through the Ministry of Health. There are certain criteria that the paramedics have to provide within that. We can look at medical records, which are factual. The investigative report is also only factual. So, if that’s listening to audio tapes or looking at other transport records, a combination of all of those facts are all brought together for the report.

**Mr. Jim McCarter:** I think I understand you’d do something similar to us. As well as getting a report back from them you would actually go back often to the original documentation just to see: What did the flight log say? What was the audio? So you would actually go back to follow up on that just to sort of get some corroborating evidence.

**Ms. Denise Polgar:** Yes. If I read the report but then I look at the family complaint and there’s still an outstanding question there, I can ask for additional information, particularly through the investigations department, to say, “Can you ask the medics this particular question?” just to make sure that that information is consistent.

**Mr. Jim McCarter:** Okay, that’s great; thank you.

**Ms. Denise Polgar:** You’re welcome.

**The Chair (Mr. Norm Miller):** Thank you. We’ll move to the NDP: Ms. Gélinas.

**M<sup>me</sup> France Gélinas:** Just a very quick question. I understand that there’s only one of you.

**Ms. Denise Polgar:** Yes.

**M<sup>me</sup> France Gélinas:** I serve a large district in northern Ontario. Close to 30% of the population I serve are French speaking. I know that your website is in English only and that the complaint form is in English only.

**Ms. Denise Polgar:** Yes.

**M<sup>me</sup> France Gélinas:** How do you handle French callers?



**Ms. Denise Polgar:** I haven't had that yet, but I know that there have been discussions with the executive team about making changes to our website in French. I don't know all the details to that, but I think that's a valid question and that's something that we can potentially make improvements with, depending on what we need to comply with. I haven't dealt with that yet. I do know that we're looking into trying to find a delegate who can provide translation services so that I can still be involved and still advocate for the patient or find out what happened. That hasn't happened yet. It's something that I know there has been some initial discussion on what we can do to improve that.

**M<sup>me</sup> France Gélinas:** So, if you go back to work this afternoon and a French caller calls, what happens?

**Ms. Denise Polgar:** I would probably connect with my VP and ask for some direction on what we do to com-

municate with this individual. My understanding is that we have a translation service, but I would need to identify where to reach those services and how we could utilize those. And that's something I will do when I go back.

**M<sup>me</sup> France Gélinas:** Okay.

**Ms. Denise Polgar:** Thanks.

**M<sup>me</sup> France Gélinas:** Thank you.

**The Chair (Mr. Norm Miller):** Thank you. Any further questions from the government? Very well. I believe we're done. Thank you very much for coming in this afternoon.

**Ms. Denise Polgar:** Thank you very much.

**The Chair (Mr. Norm Miller):** We appreciate it.

I guess we're adjourned until next Wednesday at 8:25 a.m.

*The committee adjourned at 1451.*











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ISSN 1180-4327

## Legislative Assembly of Ontario

Second Session, 40<sup>th</sup> Parliament

## Assemblée législative de l'Ontario

Deuxième session, 40<sup>e</sup> législature

# Official Report of Debates (Hansard)

Wednesday 24 April 2013

# Journal des débats (Hansard)

Mercredi 24 avril 2013

## Standing Committee on Public Accounts

Special report, Auditor General:  
Ornge Air Ambulance and  
Related Services

## Comité permanent des comptes publics

Rapport spécial, vérificateur  
général : Services d'ambulance  
aérienne et services connexes  
d'Ornge



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## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES  
COMPTES PUBLICS

Wednesday 24 April 2013

Mercredi 24 avril 2013

*The committee met at 0827 in room 151.*SPECIAL REPORT, AUDITOR GENERAL:  
ORNGE AIR AMBULANCE AND RELATED  
SERVICES

MR. BARRY PICKFORD

**The Chair (Mr. Norm Miller):** I'd like to call the committee to order and welcome Mr. Barry Pickford as the first witness this morning, and to confirm that you've received the letter for a witness coming before the committee?

**Mr. Barry Pickford:** I have.

**The Chair (Mr. Norm Miller):** Very well. I understand you're going to swear an affirmation, so our Clerk will do that.

**The Clerk of the Committee (Mr. William Short):** Mr. Pickford, if you could just raise your right hand, please. Do you solemnly affirm that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth?

**Mr. Barry Pickford:** I do.

**The Clerk of the Committee (Mr. William Short):** Thank you.

**The Chair (Mr. Norm Miller):** Thank you. You have some time for an opening statement, if you'd like to make it, and then we'll go to questions.

**Mr. Barry Pickford:** Thank you. Good morning. I'm here today to answer as many of your questions as I can with respect to my time as a director of Ornge and its related entities. I'd first like to take just a few minutes, if you don't mind, to reflect on my time at Ornge from a personal point of view.

After a nearly 40-year career in public accounting and in the telecommunications industry, I became a member of the board of Ornge in late 2007. I did so with pride, recognizing the very valuable service that Ornge provided to the people of Ontario. By the end of 2007 Ornge was a relatively new private, not-for-profit company that had already made significant positive changes since taking over the province's air ambulance system. However, I understood that there was still much to be done to improve the service capabilities of Ornge's air medical transportation system.

The strategic plans for Ornge that the board dealt with in 2008 and in the years beyond were consistent with

those that had been developed since the inception of Ornge and which the government, I was assured, was being kept apprised of.

The plans consisted primarily of replacing the aging fleet of aircraft made available to Ornge with new aircraft owned and operated by Ornge. This was to be done in order to improve reliability, efficiency and cost. Secondly, we wanted to narrow the significant funding gap that existed between the current service levels and the demand for Ornge's services. This was to be accomplished through fundraising and, most importantly, the creation of for-profit initiatives which were intended to augment the funding that Ornge received under its performance agreement with the province.

There is no doubt that the steps Ornge took in furtherance of their strategic plans were approved by the board of Ornge. Such approvals were provided based on discussions with management and with various legal, tax and financial advisers. It was only after a thorough consideration of the expert advice received and of the objectives and effects of each step that the board approved actions such as the purchase of the new aircraft and the restructuring of Ornge to create additional revenue sources for it. I believe that all the actions taken by our board were intended to build a stronger Ornge, one that could better serve the needs of the people of Ontario for many years to come.

To experience what happened at Ornge over a year ago was, from my personal point of view, disheartening to say the least. Finding out in December 2011 and January 2012 that there may have been abuses to the system was devastating, as we know, to Ornge and to so many people who work there, including our board. I recognize that there are many great people who are still at Ornge, and I'd just like to close by saying to all of those people that I worked with at Ornge during my time as a director there—I want to take this opportunity to wish them all much success in the future. Thank you.

**The Chair (Mr. Norm Miller):** Thank you. We'll move to the opposition. Mr. Klees, you probably have about 18 minutes.

**Mr. Frank Klees:** Mr. Pickford, thank you for being here with us this morning. Given your extensive experience as a chartered accountant, a senior executive, as I understood, with Bell, or BCE—

**Mr. Barry Pickford:** BCE.



**Mr. Frank Klees:** —can we assume that you're well versed with the duties and liabilities of directors, both on public boards as well as not-for-profits?

**Mr. Barry Pickford:** I am, yes.

**Mr. Frank Klees:** Are you currently serving as director of any other board?

**Mr. Barry Pickford:** Only a charitable organization, now: Epilepsy Toronto. I've been on board there for at least 10 years. I've been the president of the organization for three years and just gave up the presidency about a year ago.

**Mr. Frank Klees:** So you're no longer on the board of directors of Radius Financial?

**Mr. Barry Pickford:** I'm not, no.

**Mr. Frank Klees:** Or Pacific Mortgage?

**Mr. Barry Pickford:** No.

**Mr. Frank Klees:** But you were?

**Mr. Barry Pickford:** I was, yes.

**Mr. Frank Klees:** And who was the director and chair of Radius?

**Mr. Barry Pickford:** Alfred Apps was.

**Mr. Frank Klees:** And the director and chair of Pacific Mortgage?

**Mr. Barry Pickford:** It was Alfred Apps, as well.

**Mr. Frank Klees:** You have a long-standing relationship with Mr. Apps?

**Mr. Barry Pickford:** I did work for Mr. Apps when he was with a company called Lehndorff, when I was a tax partner with KPMG. After that, we really had no relationship until we met again many years later, when I had become director of Ornge. We met through advice he was providing to Ornge at that time.

**Mr. Frank Klees:** How did your directorship at Ornge come to an end?

**Mr. Barry Pickford:** How did it come to an end?

**Mr. Frank Klees:** Yes.

**Mr. Barry Pickford:** Effectively, I think the board was asked to resign in January 2012, and I offered my resignation.

**Mr. Frank Klees:** From whom did that request come?

**Mr. Barry Pickford:** I think it came from the Ministry of Health.

**Mr. Frank Klees:** Was it the minister herself?

**Mr. Barry Pickford:** I don't know that we received a direct request from the minister; it may have been from one of the deputy ministers. But certainly word got through that we should step down, and a new board should be put in place.

**Mr. Frank Klees:** Were you a director of any of the other entities at Ornge, the for-profit entities?

**Mr. Barry Pickford:** During my time with Ornge, I was a director of Ornge itself, a director of Ornge Peel, Ornge Air and the Ornge Foundation. When we moved to the for-profit structure, which meant splitting the structure, I remained a director of Ornge and the Ornge Foundation, and became a director in what was known as Ornge corporate services, the former Ornge Peel and Ornge Air. I was not a director of Ornge Global GP.

**Mr. Frank Klees:** Okay. What was your remuneration as a director of Ornge?

**Mr. Barry Pickford:** I keep my director's fees kind of on an annual basis. I must admit, I did look back at that, because I expected this question to come up. From a tax point of view, my fees in 2010 totalled \$94,000, which was a combination of director's fees, meeting fees and fees as the chairman of the finance and audit committee. If I remember correctly, about \$12,000 out of that total amount was for services provided as chair of the independent committee that looked at the whole restructuring of Ornge.

**Mr. Frank Klees:** Were you ever issued shares in any of the for-profit entities?

**Mr. Barry Pickford:** I think we were issued shares—a very small number of shares—in what was called Ornge Global Management Inc. in probably January 2011.

**Mr. Frank Klees:** How many shares was that?

**Mr. Barry Pickford:** I don't know. It was a very small amount in percentage terms, less than half a per cent. Quite honestly, I did look back at one time to see if I had the cheque. It was less than a dollar. I'm not sure I could even find the cheque, so I don't know if it was ever cashed.

**Mr. Frank Klees:** I don't imagine you'll be cashing in on those.

**Mr. Barry Pickford:** Pardon?

**Mr. Frank Klees:** I don't imagine you'll be cashing in on those cheques.

**Mr. Barry Pickford:** I don't think so. I don't think I had any great plans that I would cash in on them in any event.

**Mr. Frank Klees:** Over the course of your tenure as director at Ornge, there were a number of very significant financial transactions. First, there was the \$275-million public offering that was dated June 8, 2008. Second, there was a \$30-million debenture that was dated January 31, 2011. Third was the marketing services agreement between Agusta Aerospace Corp. and Ornge Global Solutions Inc., and the second structure was with Ornge Peel. Finally, there were the millions of dollars in personal loans to Mr. Mazza, and his expenses.

I'd like to deal with the offering memorandum first. Would this offering memorandum have been reviewed by the finance and audit committee of which you were the chair?

**Mr. Barry Pickford:** The offering memorandum with respect to the \$275 million—

**Mr. Frank Klees:** Yes.

**Mr. Barry Pickford:** Yes, it was.

**Mr. Frank Klees:** And as the chair of the finance and audit committee, I'm assuming that you made it your business to vet that offering memorandum?

**Mr. Barry Pickford:** Certainly the financial aspects of it, yes.

**Mr. Frank Klees:** Okay. Knowing how important that document is, I would have thought, and I would think,

that you would have been very thorough in vetting that document.

**Mr. Barry Pickford:** I would like to think that I was, yes.

**Mr. Frank Klees:** Okay. I would ask, who did the legals on that document?

**Mr. Barry Pickford:** Fasken's did the legal work on it.

**Mr. Frank Klees:** Any recollection of what the legal fees were for that placement?

**Mr. Barry Pickford:** I don't recall, no. I assume it was substantial. It was a big offering, and they were very helpful in getting it processed and put into shape relatively quickly.

**Mr. Frank Klees:** Was any other law firm asked to provide a competitive bid on that work?

**Mr. Barry Pickford:** I don't think so. No.

**Mr. Frank Klees:** So \$275 million plus \$30 million adds up to \$305 million in debt that Ornge took on during the time that you were director as well as chair of the finance and audit committee. At what point did Ornge disclose to the Ministry of Health or to the Ministry of Finance that the government was the ultimate guarantor of that \$305-million debt that Ornge was incurring?

**Mr. Barry Pickford:** I'm not sure that I know when that would have been disclosed to them, other than through financial statements. I'm not sure it was the guarantor other than—as I recall, the debentures that were issued by Ornge Issuer Trust, and they were issued by that trust for a very specific reason—what was guaranteed, effectively, was those revenues that Ornge would receive under the performance agreement would be applied to repayment of the debt to the extent that it was necessary.

**Mr. Frank Klees:** Mr. Pickford, on page 16 of the offering memorandum, there's a very clear outline of the structure of the placement. At the very top, showing the flow of funds, is the province of Ontario. Throughout the entire offering, there is no other reference of a source of funding to pay or repay these debentures other than the province of Ontario.

**Mr. Barry Pickford:** But I think that's a bit misleading, with all due respect. What that is effectively saying is that Ornge, using those dollars, would buy assets—assets that would be made available to Ornge, principally the helicopters and the airplanes, that Ornge had been paying substantial amounts to third parties to use those same assets.

It was fully expected that if Ornge was using that equipment, it would find, through the fees that were paid to it or the amounts that were paid under the performance agreement to Ornge, that those monies would then go to help retire that debt and to pay the interest on it, in the same way that it was paying similar amounts to third parties.

**Mr. Frank Klees:** Mr. Peckford, I don't think it's misleading at all—

**Mr. Barry Pickford:** Pickford is my name.

**Mr. Frank Klees:** In fact, I think not to admit that the province of Ontario was the ultimate guarantor of this placement is misleading.

On page 19 of the offering memorandum, the memorandum speaks very clearly to what would happen in the circumstance that Ornge were to be offside and the government would have to step in. It makes very clear reference to the case, and I'll quote: "In which case, all liabilities, including amounts owing under the series A debentures, would first have to be repaid in full"—repaid in full—"by the province of Ontario." I'm going to ask you this question—

**Mr. Barry Pickford:** That's not quite my understanding.

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**Mr. Frank Klees:** Well, it's in the offering memorandum.

**Mr. Barry Pickford:** I appreciate what you're saying. My understanding was that the province would have had two choices. If, for some reason, Ornge had failed or the province had decided to cancel the performance agreement, my understanding was that the province could take over the beneficiary interest in the trust, and in that way would continue to service the debt in the same way that it had been serviced when payments were being made to Ornge—or alternatively, could pay off the debt and take over the assets.

**Mr. Frank Klees:** Mr. Peckford, at the end of the day, the province—

**Mr. Barry Pickford:** Excuse me, my name is not Peckford; my name is Pickford.

**Mr. Frank Klees:** Pickford; I'm sorry. I apologize.

**Mr. Barry Pickford:** Thank you.

**Mr. Frank Klees:** Mr. Pickford, at the end of the day, the province has no choice but to continue to provide an emergency service and the \$305 million of debt—in this case, \$275 million of this public offering; the province has no choice but to take it over and assume responsibility for that debt, otherwise, the emergency service does not get delivered.

**Mr. Barry Pickford:** I agree with that.

**Mr. Frank Klees:** And given the fact that there is no other source of revenue, I'm going to ask you this question: Would you agree that any investor considering taking up on this offering would draw the conclusion that it is the government of Ontario that is standing behind this offering? Otherwise, no one would have invested in this offering because Ornge itself has no other source of income. And at the time the offering was placed, as much as we talked about the possibility of funding coming in through the for-profit companies, there was none.

And so, would you agree that the investors seized on this investment because of the province of Ontario's position?

**Mr. Barry Pickford:** I would agree that people invested in the debentures because they saw the flow of revenues coming from the province into Ornge under the terms of the performance agreement.

**Mr. Frank Klees:** And that that was ultimately their surety. Would you agree with that?



**Mr. Barry Pickford:** As I say, I think they looked at this as fees continuing to come in to Ornge under the terms of the performance agreement and those fees would be sufficient to repay their debt.

**Mr. Frank Klees:** Thank you. Are you aware of the reports about Mr. Mazza's expenses and personal loans?

**Mr. Barry Pickford:** I'm aware of those, yes.

**Mr. Frank Klees:** What was the process that you followed to review and approve Chris Mazza's expenses?

**Mr. Barry Pickford:** The process that I followed was the corporate secretary or Dr. Mazza's assistant would bring me on generally a quarterly basis copies of his expense reports. My responsibility, as I felt it, was to look at those to ensure that they had been signed off properly by Dr. Mazza, if those were his expense reports, that they had been approved by a senior individual generally within the finance group.

**Mr. Frank Klees:** And so you did approve the CEO's expenses.

**Mr. Barry Pickford:** I approved the process by which they were being dealt with, yes.

**Mr. Frank Klees:** Whose money was Ornge dealing with in making those approvals of the multimillion-dollar loans to him—his exorbitant expenses—as a director of this organization?

**Mr. Barry Pickford:** I'm not sure what multimillion dollar loans to him you're speaking of. Ornge made a \$500,000—a \$450,000 loan to Dr. Mazza in 2010.

**Mr. Frank Klees:** There were more than that, sir. We have the documents here. So are you suggesting that you were not aware or you didn't sign off on all of those loans?

**Mr. Barry Pickford:** Could you tell me what the other loans were, please?

**Mr. Frank Klees:** Sure. We have July of 2011, and that was \$450,000. We have another loan that was in the amount of, I believe it was \$250,000. There were a number of other expenses that were approved. In the end, it turned out that there were some \$2 million—including a housing loan—that, at the end of the day, all came from government money.

Was it the board's—

**Mr. Barry Pickford:** No, I don't—can I?

**Mr. Frank Klees:** Yes.

**Mr. Barry Pickford:** If we could just go back, I did ask specifically about the loans, because the only loan that was made to Dr. Mazza from Ornge was the \$500,000 housing loan that was made in July 2010. The other two loans were made by, if you like, the for-profit side, by Ornge Global, for which Ornge was not responsible. Its money was not used for that purpose.

**Mr. Frank Klees:** Where did that money come from?

**Mr. Barry Pickford:** I assume the money came from funds that Ornge Global was earning, if you like, through the contract it had with Agusta, for one thing, and from other monies that may have been invested.

**Mr. Frank Klees:** You were the director; you were a director on those companies.

**Mr. Barry Pickford:** No, I wasn't a director on those companies.

**Mr. Frank Klees:** You were a director of Global Air.

**Mr. Barry Pickford:** Yes. The monies didn't come out of Ornge Global Air.

**Mr. Frank Klees:** Where did they come from?

**Mr. Barry Pickford:** They probably came from Ornge Global Holdings limited partnership and its other asset, which was Ornge Global Solutions.

**Mr. Frank Klees:** And you had no knowledge of those companies or the sources of their revenue.

**Mr. Barry Pickford:** I had knowledge of their sources of revenue, and as I say, Ornge Global Solutions's source of revenue was principally from the Agusta contract.

**Mr. Frank Klees:** That Agusta contract: You were familiar with the details of that contract?

**Mr. Barry Pickford:** I know it was a marketing services agreement in which marketing services were to be provided to Agusta for a payment initially of what I understood was \$4.8 million.

**Mr. Frank Klees:** You thought that was a legitimate agreement?

**Mr. Barry Pickford:** I thought it was a legitimate agreement, yes. We understood that it was not uncommon in the industry to have market servicing agreements.

**The Chair (Mr. Norm Miller):** You have two and a half minutes, Mr. Klees.

**Mr. Frank Klees:** Thank you.

Mr. Pickford, one of the standards of behaviour of a director is fiduciary duty. Given that you took on responsibilities as a director of Ornge, I would like to know from you who you thought you had a responsibility to, ultimately. Was it Mr. Mazza? Was it your fellow directors? Who were you acting on behalf of as a director?

**Mr. Barry Pickford:** I was acting on behalf of the company, Ornge, and its subsidiaries that I was also on the board of.

**Mr. Frank Klees:** You never made the connection between the company, the Ministry of Health and the public funds that were flowing to Ornge? You never recognized that your fiduciary responsibility—

**Mr. Barry Pickford:** Our fiduciary responsibility was to the company and to its stakeholders, and its stakeholders certainly included the government and the people of Ontario.

**Mr. Frank Klees:** In retrospect, knowing the waste of millions of dollars, knowing the compromise of patient care, knowing that as a result of some of the actions taken by Ornge, patients died, do you as a director of Ornge have any regrets?

**Mr. Barry Pickford:** I was very proud to be a member of the board of Ornge. Patients dying—that was an issue that was brought to our operations committee on a regular basis. We had a medical advisory committee that would report every quarter on incidents. To say that Ornge was responsible for people's deaths—I have difficulty agreeing with that.



**Mr. Frank Klees:** In retrospect, would you have done anything differently?

**Mr. Barry Pickford:** I don't think so. No. I'm still puzzled by what has happened to Ornge. I think it's a great company and it provided terrific service, and I think the opportunities that were there to effectively trade on its experiences and bring new revenues into the province, to bring new revenues in to Ornge itself to allow it to serve Ontarians better, were the right thing to do.

**The Chair (Mr. Norm Miller):** Thank you. We'll move to the third party. Ms. Gélinas.

**M<sup>me</sup> France Gélinas:** It's a pleasure to meet you, Mr. Pickford.

**Mr. Barry Pickford:** Thank you.

**M<sup>me</sup> France Gélinas:** I will pick up where my colleague left off. You've had a very honourable and distinguished career throughout your life. I'm sure not too many ministers have asked you to quit a board before. Could you explain a bit to me as to why you agreed? What information did you have to make you go from being proud to be part of something that was, frankly, till we found out, something that every Ontarian was proud of—I come from northern Ontario; we depend on Ornge for many, many services. Up until a fatal day actually a few months before this, everybody was proud and so were you. Then, in a span of a couple of weeks, it hits the front of the paper. You are asked to resign.

Could you talk to me about that period of time? Why would you resign if you are proud of what you've done?  
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**Mr. Barry Pickford:** You're quite right. I mean, I will tell you that I was very proud of what we had done. I lived in the central part of Toronto, and I know that whenever an Ornge helicopter would fly over and I happened to be outside with neighbours, we would all take great pride in pointing to them and saying what a great service this was. The fact that through Ornge and its activities—it left Ontarians the freedom to live virtually wherever they wanted to live because they knew they could have health care available to them quickly and expediently, no matter what had happened. So you're absolutely right. It was with a great deal of pride.

What happened in the December-January period—I think when we first learned of Dr. Mazza's health, the issues regarding the income and, I must tell you, the Auditor General's report, it was all disturbing, to say the least. We had talked amongst the board members about various contingency plans of how we would go forward and ultimately realized, I think, that the only conclusion was that we should recommend to the minister that we continue for a while and get another board put in place, because we recognized there had undoubtedly been a loss of confidence in the senior management group and in, I expect, the board at Ornge.

I will tell you that some of the things we found out in December 2011 and in January 2012 were, as I said in my opening statements, most disturbing. To find that Dr. Mazza had been taking \$300,000 to \$400,000 a year in medical director fees—for which I don't think anybody

could show us any invoices for services that had been provided—was, in my view, disastrous. This was a breach of anything, quite honestly. Perhaps even worse, as we were told by senior management, was to know that this had gone on for some time, that every month he would be there asking for his cheque, and yet no one had mentioned anything of this to any board member. I was dismayed by it.

To find that, as Mr. Klees referred to, the Agusta-Westland contract—we had approved at the board level back in probably September or October of 2010 the payment of certain amounts to Agusta. If I remember correctly, it was a payment of \$2.7 million for amendments to the aircraft, including weight upgrades, which we were told were necessary to be done. Those weight upgrades and other changes, net of some credits, resulted in a \$2.7-million cash payment to Agusta, and we were paying something like \$2.3 million for an inventory of spare parts. Later in that same meeting, I was told also about the marketing services agreement as a separate, distinct item. Again, I think all of us understood that these were not unusual contracts to enter into between an aircraft supplier and its customer.

With those particular events, to then have somebody, the VP of finance and the chief legal officer for the company, come to Mr. Beltzner and I in early January to explain that there's a memo around that goes back to December 2009 where Rick Potter, who was the chief operating officer for Ornge Air—that says that we really did not have to pay any amounts for the weight upgrades—that information was not made available to the board until January 2012. It was a combination of all those events, particularly when we had been told specifically that we were making payments because weight upgrades were necessary. I think all of those things combined led us to the conclusion that we needed to make some changes, and it was probably appropriate that changes were made at the board level.

**M<sup>me</sup> France Gélinas:** It has been over a year. Looking back—I realize it's a bit of a judgment call—would you say that you were lied to, you were deceived or that you should have known and didn't do your job?

**Mr. Barry Pickford:** I think any time people at a corporation decide to collude with each other to falsify things, it's not discoverable by a board or even by external auditors, which we had. If people want to not tell you the truth and conspire to do so, then I'm not sure how a board could ever determine that.

**M<sup>me</sup> France Gélinas:** You were there when they came to the board and convinced the board that the \$2.7-million upgrade needed to be done and the \$2.3-million inventory needed to be paid. Who made those arguments? I'm guessing Dr. Mazza was one of them for sure, but he couldn't have done it alone.

**Mr. Barry Pickford:** I think, actually, the information came first to our finance and audit committee. It was presented to us by Maria Renzella that these amounts were required to be paid. The weight upgrades had also been discussed at the operations committee. I was not a



member of the committee, but I sat in on those meetings because it made sense to know what's happening from an operational point of view if you're going to do an effective job on the finance side. It was talked about there as being something that was necessary to be done.

**M<sup>me</sup> France Gélinas:** And who was part of those discussions?

**Mr. Barry Pickford:** I don't recall if Dr. Mazza was involved in those discussions. I think the chief operating officer of the company, Mr. Lepine, would have been there.

**M<sup>me</sup> France Gélinas:** Later on in that board meeting, they talked to you about a marketing agreement with Agusta. The amount is quite something. You're not a marketing firm; you are an air ambulance. My first thing is: What do you know about marketing, and why would anybody give you \$5 million to do marketing when you're an air ambulance?

**Mr. Barry Pickford:** Well, we were an air ambulance company; I agree. We were also the owners of aircraft. I think we were putting people in place who could do marketing work and marketing analysis. I assumed that it was meant to have long-term benefits to Agusta in that this could assist them in selling one, two, 10 or 20 helicopters to other countries and other organizations who would use air medical transportation systems as well. As I say, it was understood that a marketing services agreement is not unusual in these types of circumstances.

**M<sup>me</sup> France Gélinas:** Who put those arguments together? Who convinced you that what you were doing was legal, was legitimate, was good business?

**Mr. Barry Pickford:** I think we thought it was good business from the point of view that someone was prepared to pay for those services and that there would be staff who would be put together to provide the services and the research work that was necessary to be done. I don't recall exactly who said that; I'm not sure.

**M<sup>me</sup> France Gélinas:** So you just don't recall. Did information come in writing to the board members to prepare for that discussion?

**Mr. Barry Pickford:** No, I think the information was probably a two- or three-liner from the executive vice-president, who was Maria Renzella, about the fact that Ornge Peel had entered into a marketing services agreement with AgustaWestland and that they were prepared to pay \$4.7 million for this marketing services agreement for the services they would receive and pay for over a two-year period, and obviously, those services would then be provided over that same two-year period. Here's one agreement, which for marketing services is going to pay us a certain amount, and at the same time, in that same meeting, you say, "But we're going to pay them \$2.7 million" for what we understood would be hard assets. This is something we're paying for because we need it. We're paying \$2.3 million for spare parts inventory. Those, again, were hard assets, so it was hard to see that AgustaWestland was just—I know people now say, "Well it was just a transfer of funds over to them and

paid back to us." I could never see it that way at the time because we were acquiring hard assets with those funds. At least, that's what we were being told.

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**M<sup>me</sup> France Gélinas:** If you were a board member of Ornge when that information was discussed, how come information dealing with Ornge Peel would come? The marketing agreement was with Ornge Peel; it was not with Ornge the not-for-profit corporation. Yet they would share that information with the not-for-profit board?

**Mr. Barry Pickford:** I think it was being shared only on the basis that, "This is information that's happening with one of your 100%-owned subsidiaries," which Ornge Peel was at that time.

**M<sup>me</sup> France Gélinas:** Okay. I take it you were familiar with the corporate structure?

**Mr. Barry Pickford:** Yes.

**M<sup>me</sup> France Gélinas:** It's still a mystery to me as to why the corporate structure was so complicated. Can you explain that to me?

**Mr. Barry Pickford:** Well, I guess first of all, I'm not sure that I would have thought of it as being complicated. It may be part of my background. I've been a tax partner and was the senior vice-president, taxation for BCE for 12 years as well as being the vice-chairman, tax for KPMG. That type of complexity is not unusual at all and in fact is done for a variety of tax, legal and other reasons.

Briefly, the structure that existed before moving to the for-profit structure that we had in 2011 was in order that we could have Ornge Peel look for new service opportunities, for new for-profit service opportunities as effectively a wholly-owned subsidiary of Ornge the charity, which could not carry on profit-making operations. You needed a separation of the two companies, one from the other.

Ornge Air was formed for the purpose of, here is a company that's going to be providing air services, one that would have considerable risk to it, potentially, if there was ever a failure of an aircraft. It was decided that should be insulated from Ornge, which was the recipient of funds under the performance agreement. It made sense to have that legally separated and protect the assets of Ornge itself.

In the same way, the Ornge Issuer Trust was there because we were advised that what the market understands for a debenture issue of this type is having it done by a trust. A trust is simply a vehicle through which—you need two things to have a trust: You need a beneficiary, and Ornge was the sole beneficiary, so it was the beneficiary of all of the assets subject to the liabilities that were in the trust itself; and you need a trustee. But otherwise, I think that tended to make the transaction more financeable because it was something that was understood by people who would put their money into these debentures.

**M<sup>me</sup> France Gélinas:** I need to go on to one last topic, and I was advised that I only have a few minutes. I wanted to bring you to oversight. You knew that there



was a performance agreement between the Ministry of Health and Ornge.

**Mr. Barry Pickford:** Yes.

**M<sup>me</sup> France Gélinas:** You've made reference to it. How much oversight do you figure the Ministry of Health held over Ornge?

**Mr. Barry Pickford:** I guess it held the ability to ensure that we were performing under the contract because I think we looked at it as a contract for services by Ornge to the ministry. There were terms stipulated in it.

I know at this committee, you've talked about the MNP report, and I think when that report was finally completed, there were a number of areas in which the ministry and Ornge agreed that they would work more closely together to rectify some of the suggestions that had been made under the MNP report. In fact, we asked that management have a checklist that they would bring to the board on a quarterly basis to ensure that we were complying with the terms of the performance agreement, or if there were changes that were going to be made to it, that those were brought to our attention as well.

**Mr. Jagmeet Singh:** What role did the ministry have directly with your board in terms of your responsibility to provide updates to the ministry?

**Mr. Barry Pickford:** I think our role as a board was to ensure that management was having the appropriate discussions with the ministry. I don't think that there was any—I know that the chairman had occasional contact with the deputy minister at health, but from a board point of view, I don't think we really had any direct relationship.

**M<sup>me</sup> France Gélinas:** If the ministry had asked you to not pursue the for-profit venture, would you have complied?

**Mr. Barry Pickford:** I think so. I think, as you've probably heard before, when the board did approve the for-profit structure, it approved it on the condition that the province was made aware of all of the steps in the restructuring and that it was onside with it. Hearing no complaints about it at all, the board assumed that they were onside.

**M<sup>me</sup> France Gélinas:** So you did due diligence. Before you went into the for-profit, you made sure that the ministry would know all of it and had plenty of opportunities to say no or change. You heard nothing back from the ministry; you took it for granted that what you had proposed, they had agreed to?

**Mr. Barry Pickford:** Yes.

**Mr. Jagmeet Singh:** What steps did you take to make sure that the ministry knew?

**Mr. Barry Pickford:** Well, the steps were primarily—I think it probably started back in November 2010 when there were attempts made to speak to senior people at the Ministry of Health, and I think at the Ministry of Transportation and perhaps even at the Ministry of Natural Resources. It took some time to arrange those meetings. Those meetings did not happen until January 2011. I know that there was a very

significant letter addressed to the Minister of Health, a letter sent by Mr. Beltzner, the chairman of our board. That was followed up with in meetings with various people at health, finance and perhaps transportation as well.

**The Chair (Mr. Norm Miller):** And we'll move to the government. Ms. Jaczek.

**Ms. Helena Jaczek:** Mr. Pickford, how did you come to be a member of the Ornge board?

**Mr. Barry Pickford:** When I retired from BCE, I decided that I would like to see if I had the skills and abilities to become a director of companies, so I took the Institute of Corporate Directors course, which started in April or May 2007.

While at the course, I met Mr. Beltzner, who I had not seen for some time. Mr. Beltzner and I had been partners together at KPMG a number of years earlier before I had left KPMG to go to BCE. He told me about some of the work he was doing at Ornge. Maybe he was waiting carefully to see if I would actually graduate from this course, but when that happened, he asked if I would be interested in joining the board of Ornge.

He talked to me about Ornge and what it was doing. I met then with Dr. Mazza. I can tell you I was most impressed with Dr. Mazza's ability to be able to look at the future and see what he wanted for Ornge, the vision that was there, and to tell me about the things that had already happened at Ornge and how they had taken this disparate group of assets, if you like, and had been able to put those together. I will tell you, I was delighted to join Ornge as a director.

**Ms. Helena Jaczek:** Were you at that point offered any particular remuneration, retainer, to be a director of Ornge?

**Mr. Barry Pickford:** I don't think we really discussed fees at the time. I was interested in doing it, but I knew that yes, there were director fees that were being paid.

**Ms. Helena Jaczek:** You understood that the major funder—obviously, the funder—was the Ontario Ministry of Health?

**Mr. Barry Pickford:** I knew that there was a performance agreement between the Ministry of Health and Ornge, yes.

**Ms. Helena Jaczek:** Were you aware, or perhaps was it talked about during your directors course, that agencies of the government usually pay a retainer, very small expenses? Were you aware of the type of remuneration you might come to expect being a director of Ornge, which, as you have told us, by 2010 amounted to some \$94,000?

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**Mr. Barry Pickford:** My fees as a director were paid by Ornge Peel, not by Ornge. The company had changed dramatically, too, over the years. It had gone from providing air medical transportation services to the province to now being the owner of almost 20 aircraft. It had become indebted to the tune of \$275 million. It owned substantial assets and was looking for a number of new



methods to bring revenues into Ornge. That whole combination of things—it wasn't just simply working for an organization that was providing services only to the province.

**Ms. Helena Jaczek:** Do you recall how much your retainer was when you first started with Ornge?

**Mr. Barry Pickford:** It was probably \$5,000 or \$6,000.

**Ms. Helena Jaczek:** Okay. So you saw the increase over those few years as related to what—I have to disagree with you—most of us feel is an incredibly convoluted structure. Perhaps we're not so familiar with the business world as you, but for an air ambulance service for the people of Ontario, most people, I would argue, would say that this is the most incredibly convoluted—and, quite seriously, unnecessarily so—type of structure—

**Mr. Barry Pickford:** Well, can I just add, because you're looking, I think, from what I can see—the back of it is the chart that is proposed going forward from 2011 on.

**Ms. Helena Jaczek:** This is the existing structure when you were a member of the board through until January 2012.

**Mr. Barry Pickford:** Yes, from the 1st of January, 2011, through to January 2012. Yes, it was.

**Ms. Helena Jaczek:** So as we—

**Mr. Barry Pickford:** The only point I wanted to make—I know it does look complex; I'm not trying to belittle that point, but some of the aspects of the structure were there to ensure financeability of the right-hand side, that is, the ability to raise funds from third-party equity investors, and to do it in a way that it would be something that they understood would protect their investment, they understood would allow—to the extent that there were start-up losses in the organization—to flow out losses to them, and when it became profitable, that profits would flow out directly to them as well.

As complex as it looks, it was done very much for a reason, because it would have a certain degree of appeal to third-party investors. The structure was very much based on “How do we raise equity to be able to take these for-profit services that we want to build and bring revenues back into Ornge?” It necessitated having third-party investment in it.

**Ms. Helena Jaczek:** And as Mr. Klees has pointed out, of course, the prospectus did show that the government of Ontario was essentially the guarantor.

In your experiences as a chartered accountant, did you have any experience in terms of aviation or ambulance when you joined the board?

**Mr. Barry Pickford:** No.

**Ms. Helena Jaczek:** There's a reference in the Auditor General's report of March 2012 that, when I first read it, puzzled me. This is a reference to the founders' equity plan. Could you explain your understanding of that plan?

**Mr. Barry Pickford:** The founders' equity plan was simply the creation of a company called Ornge Global

Management Inc., which was the initial limited partner in the limited partnership. Senior management of Ornge would have shares in that company.

**Ms. Helena Jaczek:** Did you have any role in the creation of that plan?

**Mr. Barry Pickford:** Only in looking at some of the terms of it, initially. Those were supplementary agreements that were not part of the Ornge independent committee's work.

**Ms. Helena Jaczek:** The Auditor General, in his report, indicated that this was an area where he had sought documents from Ornge but had not received the requested information. Were you involved in any of the discussions related to the production of the document?

**Mr. Barry Pickford:** I don't know that I was involved in any of the discussions relating to the production of those particular documents. I wasn't, unfortunately, very involved in many of the stages of the Auditor General's work at Ornge.

**Ms. Helena Jaczek:** Under this founders' equity plan, would there have been some possibility of you receiving some benefit from that plan?

**Mr. Barry Pickford:** As it turned out, yes, there was. After the Ornge board had approved the transaction to go forward with the not-for-profit structure, Dr. Mazza called all of us individually to tell us that we'd been awarded some shares in Ornge Global Management Inc. That was not part of the founders' equity plan, but we did, yes, become shareholders in that company.

**Ms. Helena Jaczek:** You were chair of the finance and audit committee. Obviously, I think we all recognize that's a particularly important committee of any board. In terms of the type of material that you would review, to what extent were you aware of concerns by the Ministry of Health? There was a Meyers Norris Penny audit. Did you review all these documents?

**Mr. Barry Pickford:** Yes, we read them. It was left up to a specific group at Ornge to deal with that. I think we may have even had one meeting with Ruth Hawkins and some of her people about the Meyers Norris Penny work that was being done.

Ultimately, I think the report made a number of suggestions which Ornge agreed it would comply with, and the ministry also made its comments on it. As I stated earlier, there was an agreement at Ornge that at each board meeting, there would be an update on, if you like, a performance agreement checklist. Much of that came out of the MNP report.

**Ms. Helena Jaczek:** Some sort of red flags were raised, would you say?

**Mr. Barry Pickford:** I don't know that they were red flags. Quite honestly, many of the suggestions were timing issues: “We're not getting this soon enough.” “We don't think your budget for your coming year”—which would start in April—“we're not receiving it by July 1 of the preceding year.” “We're getting quarterly statements, but we're not getting a quarterly statement for the fourth quarter; we're only getting annual reports.” There were a number of things like that, which all seemed soluble and



not disastrous to any extent to the way in which Ornge was being run.

**Ms. Helena Jaczek:** Were you ever, as a board member, made aware of some concerns raised by paramedics, in relation to this very valuable and important service to the people of Ontario, that there was a lack of service availability, a lack of aircraft, a lack of qualified paramedics at various stations?

**Mr. Barry Pickford:** As I said, I attended some of the operations committee meetings—I attended all of them—not as a member of the committee, but as a matter of interest. I think there were always issues that came up like that, issues that we were assured were being dealt with.

**Ms. Helena Jaczek:** So did you ask for some updates as to how—

**Mr. Barry Pickford:** Yes.

**Ms. Helena Jaczek:** Who would you have received those from?

**Mr. Barry Pickford:** I think most of the updates in that situation would have come from Mr. Lepine, Tom Lepine, who was the chief operating officer for Ornge itself.

**Ms. Helena Jaczek:** Did Dr. Mazza attend meetings of the finance and audit committee?

**Mr. Barry Pickford:** He did, yes.

**Ms. Helena Jaczek:** Did he attend meetings of the operations committee?

**Mr. Barry Pickford:** Yes, I think he did. Yes.

**Ms. Helena Jaczek:** Did he contribute to those discussions?

**Mr. Barry Pickford:** Absolutely, yes.

**Ms. Helena Jaczek:** And did you find him persuasive?

**Mr. Barry Pickford:** I always found Dr. Mazza persuasive, but I found him persuasive because most of the arguments he made in favour of one action or another seemed quite valid, seemed most appropriate. He was a very, very bright man.

**Ms. Helena Jaczek:** In terms of his salary, which as we know escalated over the years, were you involved in approving that increase year over year?

**Mr. Barry Pickford:** I think the increase in which all of the board would have participated would likely have happened in June 2010. Earlier that year, our compensation and governance—our governance and comp committee had suggested that we should have an independent compensation consultant look at incomes of the very senior management group at Ornge, including the CEO. That went out to a company called CLISTE Executive Services. In June 2010, that's when they first reported to the governance and comp committee and then later to the board.

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They gave a very detailed verbal presentation with slides and overheads indicating what they thought had changed at Ornge, what they thought the company was becoming, and that its comparator group should really be measured on the basis of a company that was more in the

for-profit business, because that's what Ornge Peel in particular was trying to do at that time: find new profits that would come back into the hands of Ornge; it was also now in the airline business as well as providing the air medical transportation system for the province. That comparative group, which was made up of a number of different companies in health transportation insurance industries, concluded and advised the board that Dr. Mazza's salary should be increased to \$500,000 a year; that he should have a short-term incentive bonus that was performance-related that could max out at around the same \$500,000; and that he have a benefits package that was equal to about 30% of his salary that would be made up of probably pension payments, health plans etc.

**Ms. Helena Jaczek:** Were you aware at that time that he was also pulling in a stipend, I believe—

**Mr. Barry Pickford:** Absolutely not.

**Ms. Helena Jaczek:** You were not aware of that?

**Mr. Barry Pickford:** Absolutely not. I think I can say unequivocally that if the board had known at the time it was making that decision regarding his salary that he was also pulling out \$400,000 or whatever—I'm not even sure exactly what that figure is—we may well have thought very much differently about it.

**Ms. Helena Jaczek:** I'm just puzzled about how you, as chair of finance and audit, could not have known where that money came from.

**Mr. Barry Pickford:** I'm not sure it's a question of where the money came from; I think it's where it went—into Dr. Mazza's hands. If—

**Ms. Helena Jaczek:** Seriously, I would like to know where you think it came from. I mean, he was the medical director of Ornge. That has nothing to do with any of these for-profit companies.

**Mr. Barry Pickford:** I agree. As I said before, if people want to not tell you the truth, if they want to say things to you and not tell you about a situation, then I don't know how we would even know where the money came from, let alone where it went.

Up until late December 2011, I had no idea that Dr. Mazza was being paid an amount to provide medical services as a medical director, because there was a medical director who was already there who was being paid to do those very same things. There were clearly a lot of people in management who did know. The board did not know that he was being paid those amounts.

**Ms. Helena Jaczek:** But surely, as chair of finance and audit, you would have a budget yearly that you would look at.

**Mr. Barry Pickford:** Yes.

**Ms. Helena Jaczek:** It would be line by line. There would be a line saying "Medical director stipend."

**Mr. Barry Pickford:** There was a line that said "Medical contractors." It had a budgeted amount of probably \$3 million to three and a half million dollars, if I remember correctly; \$300,000 could get lost in there.

We had a number of other people who were medical doctors who were providing services to Ornge, not necessarily as medical directors but as docs-in-a-box. But



those were all under contract. This amount, I assume, would have gone into that same line.

**Ms. Helena Jaczek:** Were you part of the decision to move from contracting the aviation services from various companies across Ontario to the purchase of aircraft helicopters?

**Mr. Barry Pickford:** It was presented to the board. I think by the time I became a member of the board, much of the decision had already been made. When I was a member of the board, very specific parts of looking for suppliers had started.

I'll tell you, I think it was absolutely the right decision. I think the proof is very much when you look at what was being provided by our helicopter supplier: Sikorsky 76s—rotor-wing aircraft and helicopters that were 20 and 30 years old. CHL had come back to us and wanted an increase in what we were going to pay them for their service of providing the helicopters and their management of that whole fleet—providing pilots, fuel, maintenance etc. In the last years, even though we had told them that we were going to buy our own aircraft, the fee from CHL was \$33 million to provide those services. Here we are with aging aircraft; to go back to them and say, "We want you to now start buying new aircraft"—we looked at what their cost of capital would be, and we looked at the profit margin they would want on supplying those helicopters on an annual basis, and decided it made good sense for us to buy our own at what we believed would be a reduced cost of capital with no profit margin built into it.

When you look at what has happened to those Sikorskys today, Sikorsky won't take them as trade-ins. They have no spare parts available for them—you can only get them on secondary markets—and they now have a history of maintenance failures.

**The Chair (Mr. Norm Miller):** And we are out of time, I'm afraid, so thank you very much for coming before the committee this morning, Mr. Pickford.

**Mr. Barry Pickford:** Thank you.

#### DR. ROBERT LESTER

**The Chair (Mr. Norm Miller):** I'd now like to call Mr. Robert Lester to come forward, please.

**Mr. Frank Klees:** Chair?

**The Chair (Mr. Norm Miller):** Yes?

**Mr. Frank Klees:** While Mr. Lester is coming forward, I just want to apologize to Mr. Pickford for referring to him as Mr. Peckford. That was not intentional.

**Mr. Barry Pickford:** I realize. You gave me a certain notoriety; some famous politicians have that name.

**Mr. Frank Klees:** I thought there might be a relation, but I didn't want to pursue that line of questioning.

**Mr. Barry Pickford:** Thank you.

**The Chair (Mr. Norm Miller):** Mr. Lester, just to confirm that you received the letter for a person coming before the committee?

**Dr. Robert Lester:** I did.

**The Chair (Mr. Norm Miller):** Very well, and I'll have the Clerk do an oath of witness or affirmation.

**Dr. Robert Lester:** Affirmation.

**The Clerk of the Committee (Mr. William Short):** Okay. Mr. Lester, raise your right hand. Thank you.

Do you solemnly affirm that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth?

**Dr. Robert Lester:** I do.

**The Clerk of the Committee (Mr. William Short):** Thank you.

**The Chair (Mr. Norm Miller):** Thank you. You have time for an opening statement, if you'd like, and then we'll go to questions.

**Dr. Robert Lester:** Just as an aside, given what you said, it's Dr. Lester, so we'll get the titles straight.

**The Chair (Mr. Norm Miller):** Thank you.

**Dr. Robert Lester:** I'd like to make a brief opening statement, and thank you for giving me the opportunity to do so.

I've spent my entire adult life, almost 50 years, in health care, initially as a practising physician, and then as a physician administrator at Sunnybrook. Throughout my career, I have dedicated myself to try to improve health care in this province, specifically the integration of the various components of our health care system.

In late 2004, the Ontario Air Ambulance Program, which had been a program at Sunnybrook, was divested as an independent entity. I, as the executive vice-president, medical and academic affairs, and chief medical executive at Sunnybrook, together with the Sunnybrook board chair and CEO, was invited to sit on the inaugural board.

When I retired from Sunnybrook in 2007, I was invited to stay on the Ornge board. With the creation of the most recent for-profit structure, as you know, the board was split at the end of 2010 into a not-for-profit board and a number of for-profit boards. Since that time, until my resignation in January 2012, I was only active on the board of the not-for-profit Ornge, and did not participate in the boards of Ornge Global companies.

From my perspective, based both on the information that was provided to us and the environment at the time, there was a cogent rationale for each step the board took. The underlying objective of those steps was always to enhance the quality of Ornge's services to the people of Ontario. There were consistently comprehensive discussions of the relevant issues at board meetings, and where major decisions or concerns were being contemplated, the board solicited leading independent legal, financial and compensation advisors to ensure that the decisions being made were in the best interests of Ornge and the stakeholders it served.

On a personal note, in the past—much like Mr. Pickford, because I live in a similar area, right near Sunnybrook—whenever I saw an Ornge helicopter flying overhead, I viewed it with a great sense of pride. Presently, any reference to Ornge makes me feel sick.



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My father was not a very educated man. However, I have always remembered something he told me when I was a young man growing up: “Bob, when your days on this earth come to an end, it is not how much money you leave behind that is important. The most important thing for you to leave behind is a good name.”

Having strived my whole life to live up to my father’s advice, I hope you can appreciate how distressed, saddened and disappointed I am that I am now involved in an unfortunate situation such as this in the twilight of my career.

That concludes my introductory remarks, and I’m ready to answer any questions you may have.

**The Chair (Mr. Norm Miller):** Thank you very much. We’ll go to the NDP first, Ms. Gélinas?

**M<sup>me</sup> France Gélinas:** Thank you so much for coming, Mr. Lester. I would say—

**Mr. Frank Klees:** Dr. Lester.

**M<sup>me</sup> France Gélinas:** Dr. Lester. Your dad was a very wise man.

**Dr. Robert Lester:** I think he was.

**M<sup>me</sup> France Gélinas:** I will start my questioning similarly—I think you sat in the room for the first interview.

**Dr. Robert Lester:** Yes, I did.

**M<sup>me</sup> France Gélinas:** Take me through this period of time from the beginning of December 2011 to the beginning of 2012, when you went from being a proud physician of a proud organization to having to resign under pressure from the Minister of Health.

**Dr. Robert Lester:** I’m not sure, because I’m not totally with it, whether I actually skipped one sentence in my introductory remarks, and maybe I did or did not. I don’t know if I said that no one could have been more surprised than I was about allegations such as kickbacks and being paid for work that wasn’t done.

I was so disappointed in what had happened. I was so upset by the press, by the allegations of illegal actions that I did not feel that I could stay on as a member of the board. It just seemed to be the appropriate next step. There was a cloud over the organization. That cloud was spread over to the board, and I felt that it was appropriate for the board to step aside and to allow a new board to try to do what they needed to do, as determined by the province, to correct whatever deficiencies they saw that the old board had perhaps done.

**M<sup>me</sup> France Gélinas:** Aside from what you read in the papers—no offence to all of my media friends out there, but they don’t always get it right. What was shared with you that convinced you that what was going on was real and not an over-zealous front page?

**Dr. Robert Lester:** I think the two major pieces that we learned at the very end of 2011 and in January 2012 were related to the medical director fee that Dr. Mazza received, and also, apparently, the fact that we paid for the weight upgrades, even though there were numerous people within the organization who apparently knew that that payment was not necessary and that no one had

stepped forward to the board—to any member of the board, as far as I know—to indicate that those payments were not necessary. Those, I think, were the two major factors.

**M<sup>me</sup> France Gélinas:** If we take them one at a time, the medical director fee: When and how did you become aware of this?

**Dr. Robert Lester:** The medical director fee: I believe we became—I can’t totally recall whether it was December 2011 or January 2012, and I’m not quite sure how it actually surfaced. But at the discussions that were going on as we were dealing with the tumult that was occurring at that time, it became evident to the board that that payment had been made and was in the range of \$400,000. It was a continuation of something that had started many years before. I think the board thought it had been terminated, but apparently it had continued on, unknown to the board.

**M<sup>me</sup> France Gélinas:** So the way you see it evolving is that when Ornge was first created, when air ambulance left Sunnybrook and became an independent corporation, Dr. Mazza would have had a medical role to play and therefore would have received medical director fees?

**Dr. Robert Lester:** I believe that is correct. He did play the role of medical director and performed those services. As his responsibilities as the CEO increased, he divested himself of those medical director tasks but continued to collect the stipend for them.

**M<sup>me</sup> France Gélinas:** If we come back to the other parts—you called them “kickbacks”—where you paid for a weight upgrade that some staff—when and how did you become aware of this and knew that it was a fact, not just a front-page headline?

**Dr. Robert Lester:** Again, I think it was in the same time frame. I believe it was communicated to us by Rick Potter that in fact he had been aware that those payments were not necessary and had been aware of it in advance of the payments, and yet the payments had gone through.

**M<sup>me</sup> France Gélinas:** And why would Rick Potter have been at the board meeting?

**Dr. Robert Lester:** I don’t think he was at the board meeting. I think this was at the end as we were trying to tie down all the various components of what was going on, so there were people coming in and out as we were trying to wind things down.

**M<sup>me</sup> France Gélinas:** Have you had any contact with Ornge since January 2012?

**Dr. Robert Lester:** No, I have not.

**M<sup>me</sup> France Gélinas:** And your—

**Dr. Robert Lester:** Excuse me. I did go in to see Dr. McLellan to congratulate him on his appointment to the Ornge board, which would be the only indirect contact I would have had with Ornge, of any type.

**M<sup>me</sup> France Gélinas:** If you look back on your years on the board, can you see any red flags along the way? Now that you know what you know, were there any signs that basically we can learn from so that it doesn’t happen again?

**Dr. Robert Lester:** I’ve got to admit that I’ve spent a lot of hours thinking about that very question. I think it’s



a germane question to what you need to deal with. I believed quite firmly that what we were doing was the right thing. Given the information that we had at the time that we were doing it and in the environment that we were operating within, I felt that we were doing the right thing.

I feel very strongly, because as a hospital administrator I've spent a lot of time dealing with the Ministry of Health, that if the Ministry of Health had come in and said, "This is not the direction we want you to go in," I think the board would be hard-pressed to pursue that direction. Given the fact that, from my perspective, there were no red flags raised at the ministry and given the fact that, from my understanding, other organizations were entering into similar structures to try to raise money to close the gap, and given my knowledge that virtually every hospital in the province is looking at for-profit investments in order to close the gap between the funding of their hospital and the services they need to provide, from my perspective, it seemed to be the right direction because the government did not have the money to support everything that we were trying to do, as it doesn't to support everything the hospitals are trying to do. So it made sense for us to try to move to a for-profit entity which could supplement the money that we were getting to try to improve the services of the citizens of the province.

**M<sup>me</sup> France G  linas:** You felt basically, looking back, the fact that the Ministry of Health encouraged you and supported you in that direction gave you comfort that you were going in the right direction?

**Dr. Robert Lester:** I'm not sure that I would use the term "they encouraged us." What I believe I said was that they did not raise any major concerns that I was aware of that we were heading in the wrong direction. My recollection is that the broad brush strokes of where Ornge was going were in the MNP report, and that they were further advised as to the direction in the letter and briefings that occurred in early 2011. So from my perspective, I felt that there was ample information that the ministry had. They had ample opportunities to say that this was entirely the wrong direction, partially the wrong direction or "Did you think about this or think about that?" Although I've now heard that there were a number of red flags going up, I didn't see any of the red flags. They didn't come to my attention.

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**Mr. Jagmeet Singh:** What gave you confidence that the ministry was aware or had been given an opportunity to give input in terms of the direction? What confidence did you have that that actually had occurred?

**Dr. Robert Lester:** As I said, I think there were two or three issues that I would say: The broad brush strokes were in the MNP report; the letter that was sent to not only the Ministry of Health but other ministries around the directions that Ornge was taking; and then subsequent meetings from representatives of Ornge with representatives of the various ministries.

**Mr. Jagmeet Singh:** Did you have any concerns personally, just as a physician, when you were presented

with not the overall idea of having a for-profit side, but the way the for-profit side was structured?

**Dr. Robert Lester:** I shared the same concerns that you did. I mean, it was very complicated for me as a physician to try to understand this. I spent many hours trying to understand exactly how it was set up.

Ultimately, I think I had to rely on the fact that people with more expert business experience than I, together with the independent experts which the board went to for advice, was the appropriate—that this was a structure that was appropriate.

Not only did we deal with the advice that we got in terms of setting up the structure, but we went to the extent of creating this independent committee, which then sought independent legal advice from another large firm that saw no problems with it. They got tax advice and other advice from two large accounting firms. So from my perspective as a member of the board, I thought that the due diligence had been done.

**Mr. Jagmeet Singh:** Who were the independent experts?

**Dr. Robert Lester:** I'm sorry?

**Mr. Jagmeet Singh:** Who were the independent experts?

**Dr. Robert Lester:** Davies was the legal expert, and I think KPMG and Pricewaterhouse were the accounting firms, and I think also Standard and Poor's, I believe, indicated that it would have no effect on our credit ratings.

**Mr. Jagmeet Singh:** Thank you. My colleague has a question.

**M<sup>me</sup> France G  linas:** So you've identified three key points that basically reaffirmed for you that the ministry knew the direction you were going and had ample opportunity to pipe in if that was not the direction you should take. So there was the Meyers Norris Penny report. There was the letter that was sent to the Minister of Health as well as 16 other ministries—there was a large list of cc's on that. Then there were the subsequent meetings between representatives of Ornge and the government.

Were the reports of those meetings ever reported back to the board of Ornge? Did they ever debrief as to, "We went, we saw, we talked, it went well"? Were you aware of how this had gone?

**Dr. Robert Lester:** I can't recall if it actually came back to a board meeting, but I think that there was a general sense from the representatives that there were no huge obstacles that the government was putting up to us, and that things had gone quite well.

**M<sup>me</sup> France G  linas:** And who would have told you that?

**Dr. Robert Lester:** It would have come from Mr. Beltzner, who was the chair and who had gone there representing Ornge, together with whatever staff went to support him.

**M<sup>me</sup> France G  linas:** So, your chair.

**The Chair (Mr. Norm Miller):** You have about three minutes.



**M<sup>me</sup> France Gélinas:** Had you seen the letter outlining your future direction that was addressed to the minister?

**Dr. Robert Lester:** Yes.

**M<sup>me</sup> France Gélinas:** You had seen it. Had you seen it before it was shared with the minister?

**Dr. Robert Lester:** I think I saw it after it was shared with the minister.

**M<sup>me</sup> France Gélinas:** Do you feel that it accurately described the path that you intended to go on?

**Dr. Robert Lester:** It was my impression that it did.

**M<sup>me</sup> France Gélinas:** So basically the activities that took place were very similar to the path that had been explained to the minister in that letter?

**Dr. Robert Lester:** From my perspective, that was my understanding. Yes.

**M<sup>me</sup> France Gélinas:** And the minister and many other ministers had received the letter, had an opportunity to be briefed on it and raised no opposition; that was a good path.

**Dr. Robert Lester:** As far as I know, there was no significant opposition to any of the plans that were presented.

**M<sup>me</sup> France Gélinas:** If the ministry had said, “We’re worried about that path. We’re worried that this corporate structure is too convoluted,” what would have been your reaction?

**Dr. Robert Lester:** Personally, my reaction would be that that was a huge red flag. Having dealt with the ministry for many years, I would have had, I think, a great deal of difficulty in supporting moving in a direction that the Ministry of Health did not approve.

**M<sup>me</sup> France Gélinas:** We’re about to pass an extra bill. In your sense, you wouldn’t have needed a law; you wouldn’t have needed a new bill. Had the ministry said, “We have concerns,” automatically, it’s a red flag. It doesn’t have to come via a special air ambulance act that says X, Y, Z?

**Dr. Robert Lester:** My understanding was that the ministry could not forbid us to move in that direction. However, I think that it would be extremely foolhardy for Ornge to pursue a structure that the ministry did not approve. Perhaps it makes it a little bit more concrete in terms of creating this special bill, but I cannot believe that I, personally, or the board would have pursued an organizational structure that the ministry said was flawed or that was not in the best interests of the province or whatever else they might say.

**The Chair (Mr. Norm Miller):** Thank you for that. We’ll move to the government now. Ms. Jaczek?

**Ms. Helena Jaczek:** Welcome, Dr. Lester. I think probably Ms. Gélinas and I both remember your testimony in front of the Select Committee on Mental Health and Addictions and your well-known advocacy on behalf of those suffering from Alzheimer’s. Welcome back.

**Dr. Robert Lester:** Thank you so much. I enjoyed the last one a lot more.

**Ms. Helena Jaczek:** Just to get back, you were part of the inaugural board of Ornge. How did that happen?

**Dr. Robert Lester:** Well, as I said, because it was a program of Sunnybrook, when it was divested, I think it was sort of a natural transition. At the time, I was the chief medical executive and EVP at Sunnybrook. I, together with the board chair and the CEO, was appointed to the inaugural board to sort of help with the transition from a program to an independent entity.

**Ms. Helena Jaczek:** At the time, you knew Dr. Mazza, I presume.

**Dr. Robert Lester:** I had met Dr. Mazza on a number of occasions because he worked in the emergency department at Sunnybrook.

**Ms. Helena Jaczek:** When you first started on the board of Ornge, was there some sort of retainer or expense arrangement?

**Dr. Robert Lester:** No.

**Ms. Helena Jaczek:** It was a voluntary position.

**Dr. Robert Lester:** It was a volunteer position.

**Ms. Helena Jaczek:** How did that evolve through the years for you, personally?

**Dr. Robert Lester:** For me personally? At some point in time, there was a payment of meeting fees, which was a few thousand dollars. Then as time went on, as you’ve heard the testimony, as we moved to a different type of structure with increased risk, there was an additional stipend paid, I guess, in recognition of the work that we were doing to try to move into a different structure—the increased risk, the increased complexity and so forth.

**Ms. Helena Jaczek:** So what did that rise to just before your resignation?

**Dr. Robert Lester:** My total compensation for the seven-plus years I was on the air ambulance Ornge board was in the range of about \$180,000—over seven years.

**Ms. Helena Jaczek:** Over seven years.

**Dr. Robert Lester:** In addition, I submitted approximately \$1,000 in expenses—over seven years.

**Ms. Helena Jaczek:** Thank you. You heard the previous testimony, and perhaps you recall from the Auditor General’s report, this reference to the founders’ equity plan.

**Dr. Robert Lester:** Yes.

**Ms. Helena Jaczek:** Had you a particular understanding of what that plan was all about?

**Dr. Robert Lester:** What the plan would look like?

**Ms. Helena Jaczek:** Yes.

**Dr. Robert Lester:** I understood, in retrospect, what the plan was supposed to do. My understanding of it—and it’s a limited understanding of it—was that it was, in a way, to reward the founders for the creation of the entity. But, as you’ve heard, none of us were aware that that was, in fact, going to occur.

I can remember, actually, when I got the call from Dr. Mazza telling me—and I believe it was a 0.75 share that I was being awarded. I sort of laughed. I said, “I don’t understand what that even means.” I didn’t assign any particular value to it.

As time went on, it seemed fairly evident to me that I was in the process of sort of—because of my wife, as you



know—re-examining my life. I was in the position where I was about to think about retiring from Ornge and from other boards that I had been on. So I never really expected that there would ever be any monetization.

I'm not even sure if it actually even got completed. I remember seeing a draft, but I don't ever remember seeing any final documentation of that founders' equity plan.

**Ms. Helena Jaczek:** So when the Auditor General tells us that he had difficulty getting information about this particular plan, would you have seen any reason why he shouldn't get whatever plan was in place, even if it was a draft?

**Dr. Robert Lester:** I don't see any reason why. I wasn't particularly alarmed about anything. No, I think the Auditor General should have had access to whatever he had the right to have access to.

**Ms. Helena Jaczek:** When you were talking about the complex structure and that you found it somewhat complicated as well—when this was being explained to you, who tried to describe the new corporate structure to the board?

**Dr. Robert Lester:** I think it was largely Alfred Apps who provided us with the description of what the plan would look like.

**Ms. Helena Jaczek:** And did you, at that time, sort of have questions related to it, or was there anything that you felt uncomfortable about with this?

**Dr. Robert Lester:** I was always uncomfortable with what risks we were taking on as a result of moving in that direction. So there was a lot of discussion around that and reassurance from a legal standpoint, from a tax standpoint, from a financial standpoint.

The information that we were receiving was that we were, in fact—and this is my understanding—insulating Ornge from risk by creating this structure, and at the same creating a structure that would attract equity partners to invest in it. So from my perspective, it sort of made sense. We had a need. We needed to get private investors to invest in it. We had to create a structure that they were comfortable with at the same time as trying to create a structure that protected Ornge. So from my understanding, we actually accomplished that. Whether or not in effect that did or did not occur in the way that I understood it, I think it's for other people to judge.

**Ms. Helena Jaczek:** In your earlier answers to my colleague, you sort of referenced—you got the sense that other health care institutions were moving in a similar direction. Could you kind of clarify that?

**Dr. Robert Lester:** Sure. I think there are two references that I would make to that. I knew for a fact that OTN was moving in that direction and was adopting a very similar structure. I knew it because I was on the OTN board, and I played a role in that. I did not particularly champion the structure—I wouldn't be a champion of it—because, as I said, it was not something that I was totally familiar with. I also know that when this all broke, in terms of Ornge, they totally backed away from the structure.

The other thing, of course, is—and I don't know what the structure is, but major hospitals like Sunnybrook, UHN, Sick Kids and Baycrest are all looking at creating private sector—I want to say “adventures,” but “adventures” is not the word. What word am I looking for?

**Interjection:** Ventures.

**Dr. Robert Lester:** Ventures—private sector ventures, to try to raise money.

I have to say, in the latter part of my career, the last 10 years of my career, when I was much more involved in administration—although I had been about 20 years in administration—the vast majority of every meeting that we had at the hospital was, “How do we meet our budget? What services are we going to cut? And how, when we cut those services, are we going to try to maintain quality for the patients that we no longer can serve?” So I was quite familiar with the fact that there has always been a gap in terms of what people want and what people can be provided. That is both the good and bad of being in a socialized medicine scheme.

**Ms. Helena Jaczek:** And this, of course, has extended for many, many years.

**Dr. Robert Lester:** For many years; this is not new.

**Ms. Helena Jaczek:** So we're talking decades.

**Dr. Robert Lester:** We're talking decades.

**Ms. Helena Jaczek:** And just for the clarification of my colleagues: OTN, meaning Ontario Telehealth Network?

**Dr. Robert Lester:** Telemedicine.

**Ms. Helena Jaczek:** Telemedicine.

**Dr. Robert Lester:** Yes.

**Ms. Helena Jaczek:** Okay. Dr. Lester, I think my colleague has detailed the fact that the medical director stipend presumably just kind of was established originally and then nobody ever questioned back whether Dr. Mazza was still receiving it. Was that how you—

**Dr. Robert Lester:** My understanding was, it was assumed that he was no longer receiving it because he was no longer providing the duties.

**Ms. Helena Jaczek:** What about his expenses? Were you ever made aware of the ski trips and expensive hotel and food bills?

**Dr. Robert Lester:** I would say that I found out almost all of that after the fact, in the last month or two as it broke into the press.

**Ms. Helena Jaczek:** So that was not something that the board—

**Dr. Robert Lester:** It was not something that I was aware of. I knew he was going to Europe to meet with representatives of Agusta and so forth, as part of the normal course of business. I didn't know that he was staying in expensive hotels and eating exorbitant meals and doing other things that apparently have come out since then.

**Ms. Helena Jaczek:** I'll hand over to my colleague.

**Dr. Robert Lester:** Hello.

**Ms. Dipika Damerla:** Thank you, Dr. Lester, for coming in. I know it's not easy, being in your position and then all of us questioning you.



Just very quickly, you did say that you were not aware of his expense account, but what about the salary that the board approved? You were aware of it.

**Dr. Robert Lester:** I was, yes.

**Ms. Dipika Damerla:** What did you think of that decision?

**Dr. Robert Lester:** What I said in my introductory remarks was that the decisions that were made have to be taken into the context of when the decisions were being made—and I thought about this a lot.

What the board was faced with was the following sort of decisions: Was Dr. Mazza the right person to be the CEO of Ornge? Was there a risk in losing him to another company because of his expertise? If there was a risk to losing him, what options did the board have if they wanted to retain him? I think those were the questions we were faced with.

I think that Dr. Mazza was a charismatic leader and had an incredible vision of where Ornge was going to go. He was an emergency room physician. He had a business degree. He understood the aeronautical industry. So he had a whole host of very strong attributes which would make the board want to keep him.

The second thing was, was there risk? It was our understanding that he was being wooed by companies in the United States to move to the United States, and probably at a salary that was significantly more than what he was being paid at Ornge.

The third thing was, what would the impact be on Ornge if Dr. Mazza left? Well, it was the board's decision that there would be a significant impact on Ornge and that he was the architect of the vision, he had the skill set to lead it forward, and that it would be difficult to replace him.

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Based on that information, the board elected to proceed with finding out what would be necessary to keep Dr. Mazza on board. So, as you've heard, we engaged an independent compensation expert who provided an extensive 70-to-80-page report with numerous comparators. Granted, it was now being compared to private sector companies, because that was the direction we were going in. From my understanding, the compensation package which was being offered to Dr. Mazza, based on those comparators, was in and around the median.

Based on that sort of sequence, it seemed appropriate, given the advice that we received and given the direction that we thought we were going in, we wanted to retain Dr. Mazza. The board then approved the compensation based on that sequence of events.

**Ms. Dipika Damerla:** What I'm hearing from you, Dr. Lester, is that the board thought Dr. Mazza's compensation was fair in the private sector world, given the competition of the private sector. The only challenge here is that it was public sector dollars, taxpayer dollars, being paid to pay a private sector salary, the end goal being the for-profit companies, which hadn't turned a profit yet. How did the board make that leap of faith, that "We're going to pay Dr. Mazza to run these for-profit companies

in addition to Ornge and we're going to use taxpayer dollars to pay him a compensation for those private sector companies," while in reality, in the private sector, it is those private sector companies that ought to have funded Dr. Mazza's salary? As a board member, since your job was to safeguard the public interest, I'm just trying to understand that jump.

**Dr. Robert Lester:** I think the jump occurred because there was a very strong belief that the vision that was being projected had every sense that it would succeed. Could one say there was a timing issue in terms of how we did it? Yes, I guess there could be that, but there was a real sense that there would be a significant input of new money that would likely only occur if Dr. Mazza was in that role. Yes, I guess it was a bit of a leap of faith.

**The Chair (Mr. Norm Miller):** You have about a minute left.

**Ms. Helena Jaczek:** Just one last question, Dr. Lester: As a board member, what did you hear at your meetings about potential operational deficiencies in the air ambulance system—in other words, lack of staffing at stations, lack of aircraft and so on? Pursuant to that, did it ever occur to you—if you did hear about those—that Dr. Mazza, with all these convoluted private sector schemes, was being pulled away from the core business of air ambulance?

**Dr. Robert Lester:** I did hear that there were problems. The board constantly heard there were problems, shortages of paramedics and so forth—not particularly unique in health care. There are shortages of staff in many areas of hospitals and so forth. That was one of the reasons why Ornge went ahead to create the academy, was to try to train paramedics so that we would overcome the shortage of staff.

His being involved—we tried to do that by—the daily operations of Ornge were then, in a sense, seconded to Tom Lepine as the chief operating officer, who was then responsible for the day-to-day operations of Ornge.

**Ms. Helena Jaczek:** Thank you, Dr. Lester.

**The Chair (Mr. Norm Miller):** Thank you very much. We'll move to the opposition. Mr. Klees?

**Mr. Frank Klees:** Thank you, Chair. Dr. Lester, thank you for being here.

I'd like to make it very clear why we're here and why we have called the directors. That's because this committee—in the end, what we really want to achieve is to identify very clearly what went wrong and what needs to be done on a go-forward basis to make sure that we don't have similar circumstances, whether it's at Ornge or at other agencies or organizations within government.

I think we are drawing the conclusion—and I would expect that anyone who's observing these hearings would draw the same conclusion—that there was a very pure intention, the best of intentions, but that there was, however, a lack of oversight. That lack of oversight, as it's coming together for this committee, begins with the Ministry of Health, who had the ultimate responsibility because they were the funder and it's an essential health care service.



The second level of oversight responsibility was the board of directors. So what we want to establish here is, from the board of directors' perspective: Who was on the board? What qualifications did they have? What were their responsibilities on that board? In the final analysis, did they—as board members, as directors—carry out their fiduciary, their duty-of-care, responsibilities?

I have to tell you that I'm disappointed at what I've heard so far from Mr. Barry Pickford because, while on the one hand he confirmed that he signed off on those expenses that even you admit were exorbitant—he, as the chair of the finance and audit committee, confirmed to the committee today that he signed off on those. I don't understand that. I was hoping that what we might hear from directors—and maybe we will because you're only the first two—was at least an admission that there were some oversights, that there were some failures, and that, given some of the red flags that I think were evident to a lot of people—and someone sitting at the board level surely should have seen them as well—perhaps some steps could have been taken to pre-empt what happened.

You, no doubt, were on the board because of your medical background. I note that you were not on any of the other committees of the board. Is that correct?

**Dr. Robert Lester:** I was on the operations committee.

**Mr. Frank Klees:** The operations committee.

I would think that the reason that you were invited is because of your extensive medical experience and that you could bring a perspective and some oversight to the medical aspects of the operation. Is that a fair conclusion?

**Dr. Robert Lester:** Fair conclusion.

**Mr. Frank Klees:** Okay. Being as familiar as you are with health care funding in this province, and you would've seen it from a hospital perspective, the fact that Ontario's air ambulance service was being delivered by the province through the emergency health services branch of the ministry—in the last year that it was delivered by the province, which would have been 2005-06, the total budget for the air ambulance operation was some \$93 million. The very next year, it increased by \$15 million after the transition. In four short years, that budget was \$150 million, at a time when you say—you observed that, if anything, there were cuts or there was an attempt to hold budgets in line to 2% and 3% and 4%. To see the budget of the air ambulance service go from \$93 million to \$150 million at a time, according to the Auditor General, the actual number of patients who were transferred by air decreased over that time by 7%, did that give you any cause for concern, as a member of the board of directors?

**Dr. Robert Lester:** I don't know. I have to assume that the budgetary increases given by the ministry to Ornge were based on the facts that Ornge presented in terms of need. I know that the entire structure of Ornge was in disrepair when it was inherited from the ministry. I know that costs were accelerating, as they do in every other industry. There was the issue of the cost of aircraft and salaries and so forth. To me, it seemed that there

were reasonable reasons why the air ambulance was given the increases. The ministry had oversight of that. If they felt that those increases were inappropriately being asked for, they wouldn't have given them to us.

**Mr. Frank Klees:** We recently, as a committee, visited the head office of Ornge in Mississauga. I have to tell you, Dr. Lester, I spent 25 years in business before I was elected here; I've been in many corporate offices. I have yet to be in a corporate office that has the kinds of facilities that Ornge has. We saw a gymnasium there that is outfitted better than the most luxurious gymnasiums. When you made the transition into that new headquarters and you saw the marble and you saw the ensuite bath and the showers to Dr. Mazza and you saw the furniture, did that give you any concern that perhaps money was being spent irresponsibly?

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**Dr. Robert Lester:** First of all, I never saw any of those things. The most I went into was the front entrance—I think I once saw Dr. Mazza's office—the boardroom and the washroom off the hallway opposite the boardroom. I never saw a gymnasium or any of the other stuff that was there.

My understanding of the acquisition of the building, from the marketplace, was that we actually got an extremely good buy for it, and my understanding was that the vast majority of the furniture was already in place, and all of the things that you were indicating were already there and were included in the purchase price. I don't think there was a huge amount of money spent in terms of any upgrades.

**Mr. Frank Klees:** So as a board member you would have been aware that the building was purchased, along with that furniture and whatever else was there, for \$15 million. It was subsequently refinanced for some \$24 million, and the difference went into the for-profit company. You were aware of that as a director.

**Dr. Robert Lester:** I was, sir.

**Mr. Frank Klees:** Did that give you any concern?

**Dr. Robert Lester:** At the time that it was explained to me, it did not give me concern because as I understood, it was an independent evaluation of the worth of the building made by a reputable firm. I think it was Pricewaterhouse, but I'm not entirely sure.

We were looking, as we've said all along, to try to start up the right side. As I remember, I think it was a loan to the right side. I believe there was interest being charged, and eventually it would be repaid.

**Mr. Frank Klees:** What we know today, of course, is that bonuses, loans—I think Mr. Pickford testified here that that was actually the source of one of the loans to Chris Mazza. I guess, again, I ask you as a director, were you aware that part of that money that went into that for-profit company was actually used then to extend benefits to Chris Mazza himself, not to extend the for-profit business development? Were you aware of that as a director?

**Dr. Robert Lester:** The secondary loan—

**Mr. Frank Klees:** Yes.



**Dr. Robert Lester:** I was not aware of that

**Mr. Frank Klees:** Okay. You confirmed that the board was repeatedly made aware of problems in the operations.

**Dr. Robert Lester:** What I would say is that at every meeting of the operations committee, there was a report that looked at risks that the organization was facing, examined mitigating strategies and looked at how we would then re-evaluate the risk based on the mitigating strategies, yes.

**Mr. Frank Klees:** We know now—and I don't know what factual information was made available to you, although you did say that you were aware of understaffing. Were you aware that there were numerous calls that Ornge could not respond to because of understaffing of either paramedics or pilots?

**Dr. Robert Lester:** I knew that there were calls that Ornge could not respond to for a variety of reasons, two of which were understaffing of paramedics and pilots.

**Mr. Frank Klees:** And were you aware of the specific policy within Ornge to understaff?

**Dr. Robert Lester:** No, I was not.

**Mr. Frank Klees:** You're aware now, are you? Because that, of course, was confirmed through testimony at this committee.

**Dr. Robert Lester:** A purposeful policy to understaff Ornge?

**Mr. Frank Klees:** Yes, for the purpose of budgetary constraint.

**Dr. Robert Lester:** I am not aware that there was a purposeful policy to understaff Ornge. I'm aware that there were decisions made because of budgets that—there were decisions made because of budgetary restraints, but I'm not aware of a policy to purposefully understaff.

**Mr. Frank Klees:** Decisions were made regarding staffing, regarding base availability because of budgetary restraints. But at the same time those decisions were made, money was being transferred into these shell companies for the purpose of developing the so-called for-profit entities. We have examples of companies in Brazil or Miami. Dr. Mazza was travelling all over the world. At the same time that we were cutting back and rationing care here, under the watch of the board, funds were actually used to develop this so-called vision of Dr. Mazza's. Did that give you any cause for concern, as a medical doctor, someone who's on the board, obviously I would think, to provide some watch over the issue of care?

**Dr. Robert Lester:** I would again say what I've said before. I thought the provision of care provided by Ornge as an air ambulance transport service was quite good. I think from every aspect that I was aware of, we were providing good service. As I've said, there was an opportunity that the board saw in developing something that would be of benefit, eventually, to the province.

**Mr. Frank Klees:** So we sacrificed patient care in the short term for the benefit of some vision that someone had in the long term is basically what you're saying.

**Dr. Robert Lester:** Well, you can paraphrase it any way you want. That's not what I'm saying. I don't think there was a direct sacrifice of patient care to deal with the vision.

**Mr. Frank Klees:** Well, Dr. Lester, we have as evidence before this committee documents that show clearly that patient care was sacrificed. Patients were turned down because of a lack of proper staffing. Paramedics told us that they couldn't perform CPR in the new helicopters because of a faulty interior that was designed through the oversight of one of the senior executives of Ornge, who, by the way, is still there. If that isn't compromising patient care, we have at least 20 cases that were referred to the coroner's office where a patient died en route for a number of reasons, one because they were turned down—they couldn't be transported by air, and so the paramedics had to say no. They were transferred by land; the patient died. We may never know whether or not that patient would have lived if, in fact, Ornge could have done its job.

Here's my point: My point is that I was hoping that perhaps we would hear from you and we would hear from other directors that with the benefit of the knowledge we have today and with the benefit of hindsight, certain decisions could and should have been taken that, beyond the cost, would have at least improved and benefitted patient care in this province, perhaps saved some lives in this province, and yes, in the end, saved some money as well. But we're not hearing that. What we're hearing is simply an abdication of that responsibility, and that concerns me. It concerns me a great deal.

This should be a signal. This should be a signal to this government at all levels that if we're going to put in place arm's-length delivery of any service, we have to have in place a strong set of guidelines, requirements and standards for those who would come forward and offer their services up as directors so that they know there is a fiduciary responsibility, a duty of care responsibility, and that it's not about someone else's vision; it's about what is in the best interest of the people whose care is in their trust, and the taxpayer. We're hoping to build on the experience of Ornge so that we can arrive there, but as long as we have people who were involved making excuses for what went on, we'll not get there.

I know that you took on that responsibility with good intentions. My final question to you: In retrospect, is there anything that you would have done or could have done differently that would have prevented what happened at Ornge?

**Dr. Robert Lester:** I would suggest to you that the retrospectroscope is an extremely powerful instrument. I think any of us can look back on our lives and say, "Given the information that I have now, would I have done something differently then?" I cannot change the decisions that the board made. We made those decisions on the best advice, with the knowledge that we had at the time. Going back and trying to now exercise hindsight as to whether or not I would or would not have done something differently based on information that I now



have learned in the last year that I didn't know at the time I was making those decisions, I think, is a very unfair question. You cannot go back and change the past.

I would agree with you—

**Mr. Frank Klees:** But we can learn from the past.

**Dr. Robert Lester:** Let me just finish. I would agree with you that the only thing we can change is the future. I think your statement, in terms of the future and what the government or what you, as a politician, should be doing in the ministries, is quite appropriate. But I cannot go back and examine, based on things that I have learned in the last few months—some of which I don't even know are true or not true—to say that I would have behaved in a different way if I had known. I don't know. I can't answer that question. I think it's an unfair question. But it's your question and you're entitled to ask it.

**Mr. Frank Klees:** Whether it's business or whether it's politics, if we can't learn from the past, then we're destined to repeat the same mistakes. What I'm hearing from you is that you're not even willing to tell us what you might have done differently or could have done differently, and that's disappointing. I'm simply saying yes—and I agree with you: Hindsight is of great benefit. But if we cannot learn from hindsight, then we're wasting our time.

I'm hoping that we can learn from our hindsight, and yes, we've had a number of witnesses here who have said, "There were some red flags. It should have triggered something; it didn't. If I had to do it over again, here's what we could and should have done." That helps us. To say that it's an unfair question is not helpful, but I thank you, sir.

**The Chair (Mr. Norm Miller):** Thank you. Any response at all?

**Dr. Robert Lester:** No, I think Mr. Klees has made his point. I've heard him make that point on several occasions and I appreciate the comments he has made.

I would just conclude by saying I felt that I had acted, as a member of the board, in the best fashion that I could, and that I and the board made decisions, as I said, based on what we thought was right for the citizens of the province. I certainly hope that the new board and the government institute whatever policies people think are appropriate to make sure that whatever everybody thought went wrong doesn't occur again. But at the time that we were doing what we were doing, I feel very confident that we were acting in the best interests of Ornge and the province.

Thank you very much for giving me the opportunity to speak here. Hopefully I've been of some help, and if I haven't, I apologize.

**The Chair (Mr. Norm Miller):** Thank you for coming before the committee this morning, Dr. Lester.

We are adjourned until this afternoon at 12:30.

*The committee recessed from 1024 to 1230.*

**The Chair (Mr. Norm Miller):** Okay, I'll call the meeting to order. We're going to change the order of the afternoon's business, just to accommodate the Auditor General, who's not 100% today. This is his last day

serving the public accounts committee and serving the province of Ontario, and we just wanted to thank him for his 10 years of service to the province of Ontario.

*Applause.*

**The Chair (Mr. Norm Miller):** Not a great way to wrap up, not feeling great, but we did want to take a bit of time to thank you, so we're going to have five minutes for each of the parties to say a few words, and we'll start with the PC Party: Mr. Klees.

**Mr. Frank Klees:** At the risk of challenging the Chair, I will say that the auditor is indeed 100% today, as he has been, in our books, during your tenure here, Auditor.

On behalf of the PC caucus, I want to express our appreciation to you for your public service. The job of Auditor General is not an easy one. You have to balance your responsibility, clearly, to this Legislature for the job that is expected of you with, many times, the political winds that blow. I know that you're often asked to make comment by the members of this committee—indirectly, mostly—that would perhaps put some wind into a political sail, and to your credit, you have always refused to do that. I think, certainly, the public respects very highly the balance that you have brought to your responsibility.

The fact is that I think your job really should not be necessary—I say this not in a partisan way—if government were doing its job. We have a tremendous bureaucracy, and within each ministry there are those who have oversight responsibilities. In a perfect world, we wouldn't need an Auditor General. But the truth is that people fail; they come short of their responsibilities, and that is where you come in and provide your oversight and provide guidance for us.

I know that there have been many changes that have been incorporated into the procedures and administration of various ministries that are directly as a result of your intervention, of your reports that give guidance, and we appreciate that very much.

On behalf of not only my colleagues in this Legislature but on behalf of the people in this province, we thank you. We wish you well in your retirement. I threatened to put a motion forward to compel you to stay on.

**Mr. Jim McCarter:** Frank, I know it has to be unanimous.

**Mr. Frank Klees:** I did check with my colleagues. I checked with my colleagues to see if I could get unanimous consent, but I think you have some IOUs out there, so I wasn't able to do that.

But in all seriousness, thank you so very much.

I think my colleague Mr. Barrett would like to comment.

**The Chair (Mr. Norm Miller):** Go ahead, Mr. Barrett.

**Mr. Toby Barrett:** Well done, Frank. Very briefly, I mentioned at your reception yesterday that you would fit right in, in my riding: farmers, quiet, they pay their taxes, go about their business, and they don't necessarily have a



problem with governments spending money, but they hate wasteful spending.

Whether they realize it or not—and not many people in my riding would know you or necessarily know of your work, but they would have to appreciate the work that you do and the way you do it, which has been, in my experience, one of the pleasures of this committee—not that there are many pleasures of this committee, with some of the horrendous things that we have to deal with. But you do it well. I think I mentioned last night that you walk softly and you carry a big stick. Well done, sir.

**Mr. Jim McCarter:** I appreciate that, Toby.

**The Chair (Mr. Norm Miller):** Thank you. We'll move to the NDP. Ms. Gélinas?

**M<sup>me</sup> France Gélinas:** Not to be argumentative, but you don't look well.

**Mr. Jim McCarter:** No. Just so people know—I don't know if it's food poisoning or stomach flu, but I had it Monday, and then yesterday, thank God—I had my reception yesterday. I wasn't too bad yesterday, but I woke up at about 5:30 this morning, and—ooh.

**M<sup>me</sup> France Gélinas:** Yes, I've seen you looking better. But I'm sure, with your retirement, you will have plenty of time to look relaxed and enjoy.

Looking back, I've been on public accounts—I think I'm going to be the corporate memory of public accounts—which scares the hell out of me—because I could always trust that you were there. I have nothing but admiration and respect for the work that you have done with us at public accounts.

Because of this respect that you have for all the work that you do, I can see the changes. Some of the audits that you've done—you will remember the assistive devices program, where you did an audit. Now I look at the improvements that are being done in this program, and you can link it directly to you.

I had a very biased and not-so-positive view of what an auditor did. I came from the not-for-profit. The auditors would come in once a year and do their little—not little, but they would do their audit and then submit the thing, and it was not really always helpful. It was a statement of fact but not something that I could act upon or anything.

Then, when I started to see the type of audit that you did, it was completely different. It was really looking at what was really happening—were we getting value?—and making recommendations to move things forward that made sense, to make things better.

The same thing with hospital-acquired infections: I mean, how far away from bean-counting—no offence—could hospital-acquired infections be? In my mind, an auditor was—well, anyway, they didn't do that kind of work. Now I look at—here's an auditor who went into health care, when there are all sorts of really knowledgeable health care people that had looked at this problem, but you were able to shine a light on it that came from a different direction. Here, again, there are thousands of people that are now protected in our hospitals because you went in, because you shone your

light, and you made a statement of fact as to, "Here's what it is, and here's how you can make it better."

That always, always impressed me. The books that you put out are quite impressive. I read the French one, which is even more impressive. I must say that, for some of them, I've read great parts of it, which doesn't go for every other document that I get. With yours, it always impresses me: How can an office be that knowledgeable about that many things? And then, looking back, it's really in the way that you do your work, in the way that you set up what you set out to do and what you carry out and the way you do your investigative work. It is phenomenal.

So I was impressed. Then I started to attend some of the meetings where the other auditors get together, and then I realized that we were really fortunate to have you, that even within your peers, you carry the same level of respect. You were very, very good at your job. We were fortunate to have you, and I'm forever grateful that I had an opportunity to work with you over those years.

My predecessor, Shelley Martel, came to your retirement party yesterday. She never comes to Queen's Park anymore. I just about fell off my chair when she said she was going to come. It was really because of you, because of the way you had conducted yourself and the value that you had brought to this Legislature.

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I thank you. I wish you all the best for years to come. Can I have your cellphone number, just in case?

**Mr. Jim McCarter:** Thanks so much.

**Mr. Jagmeet Singh:** I just want to add very briefly. I'm a new member, so I haven't had the pleasure of knowing you, Jim, for as long as everyone else has, so I want to do something that I think is one of the best types of compliments you can get. It's called a third-person compliment. It's what I've heard about you and the great work that you've done. I can tell you that your reputation precedes you, but it's not just that you're good at what you do. It's that people talk about the entire office having a new direction. Even though you've left, you've left an impact on the office that will continue and your legacy will continue, even with your departure.

People are talking about the fact that you changed what the role of an Auditor General was from someone who was inaccessible, hard to understand, language that was not easy to consume for the layperson, and made your reports accessible, open, transparent so that the common person would be able to open up your reports and understand what's going on in the province. I think that goes a long way in creating more transparency. But more importantly, there's a lot of distrust in politics and in political institutions, and I think with work like your work, and hopefully the legacy that you've left behind, it will restore some of the confidence in political institutions, because they're more transparent because of the work you've done.

I want to say, I didn't realize this, but I'm going to make a comment here for maybe folks who are listening: From seeing the reports and the work you've done and



the audits you've done, I can say with confidence that people now should know, if you want to make a mark on this province and make this province a better place, consider becoming an Auditor General in the mold of Jim McCarter.

**Mr. Jim McCarter:** Thanks so much.

**The Chair (Mr. Norm Miller):** Ms. Jaczek.

**Ms. Helena Jaczek:** On behalf of the government and my colleagues here today, we also of course want to thank you so much for your dedicated service, and really, on behalf of the people of Ontario, because what you've done with your dedicated work ethic and your very fair and unbiased approach has served us all in very good stead. My colleague France alluded to some specifics. I've only been a permanent member of this committee for the last several weeks, but I know when I subbed on this committee, probably in 2007-08, early on, you came over and you introduced yourself. I was so impressed by that because it's not something that necessarily happens around here very much. There are all sorts of mysterious people you don't know. You came over and welcomed me in the brief time that I subbed on to that particular committee. I've taken notice of your work, obviously, through the years.

I appreciate your simple language. I appreciate the way that you make numbers and figures and all the financial aspects of your reports very easily understandable. I think not only we, as MPPs, but the media—everyone appreciates that type of approach. You want to make things easily understandable.

I have been informed that you did guide your office through a digital revitalization, the revamping of the office's online platform, increasing the accessibility of the reports; that you've really, as has been said, changed and moved your office into the 21st century. I think you've earned the respect, as we've heard from members from both sides of the House, of all parties. We wish you very, very well in the future. I don't ask for your cellphone, but I hope we hear in the future of your future contributions.

**Mr. Jim McCarter:** Thanks so much, Helena.

**The Chair (Mr. Norm Miller):** If I may, just briefly: I did contact the past Chair of the committee, Norm Sterling, who was Chair for, I believe, eight of the ten years. This was read out at the reception last night, but I did want to get it on the official record. I contacted Norm and he said thanks for reminding him about the reception:

"Thanks for the reminder, but I'm still in Florida. I won't be there on the 23rd.

"Jim was an outstanding Auditor General for our province. He was noted for being very balanced in his reports, presenting critical remarks and positive commendation when deserved. His reports were in language that could be understood by accountants and the lay public. Rightly, he concentrated on value-for-money budgets, which are more meaningful than long, complicated accounting reports.

"During his period as AG, he assumed additional responsibilities for hospitals, school boards, colleges and

universities. He also was asked by the government to vet government advertising to ensure that it was not being used for political purposes.

"Not only did his friendly approach help him to get to the root of problems, but helped in gaining excellent staff morale and co-operation from MPPs of all stripes. All members of PAC felt comfortable with Jim, as he was always fair and open with his advice and writing. Members of PAC felt they were part of a team with Jim to constructively improve the government of Ontario in a non-partisan manner.

"Jim will not only be missed for the tremendous improvements which have resulted from the Auditor General's office under his leadership, but for the friendship and fun that we all had with him in doing this difficult task."

I certainly agree with all those comments and would just simply like to add that, in my last year or so, it has been a challenging year. Just about the only thing we've dealt with has been Ornge. I learned about the way this committee normally works. It has been very reassuring to have you sitting beside me. I think you absolutely have the respect of all the parties here.

It has been a real pleasure to get to know you as well, and I hope you enjoy your retirement and whatever you decide to do, and take me up on my suggestion that you should get your pilot's licence. Hopefully, a year from now, you'll be flying.

Just to let you know that you will be missed absolutely by all of us. It's going to be hard to replace you, that's for sure. I just don't see how you could have done a better job, so thank you very much.

From myself and—Will, would you like to add something as the Clerk of the Committee?

*Interjection.*

**The Chair (Mr. Norm Miller):** We do have a little presentation for you, just to remind you of this place.

**Mr. Jim McCarter:** Oh, my goodness. Oh, wow.

**The Chair (Mr. Norm Miller):** It's a picture of—

**Mr. Jim McCarter:** That's great. Have a look at this. Isn't this great?

**The Chair (Mr. Norm Miller):** It's signed by all members.

**Mr. Jim McCarter:** That's great.

**M<sup>me</sup> France Gélinas:** You have to stand beside the Chair so we can—

**Mr. Jim McCarter:** Okay.

**The Chair (Mr. Norm Miller):** Would you like to add something?

**Mr. Jim McCarter:** Maybe I'll just add a couple of words. I guess, as I said last night, the auditor is not used to getting so many pats on the back, and it's very nice.

I know some of you were there last night, but one of the things I mentioned is, I talked about my sort of—people ask you, "Auditor, after 10 years, what are your highlights? If you look back, what would you say are kind of the highlights?" And I talked about three of them. But the second one that I talked about is—definitely a highlight is just the benefit and I have to say the delight



I've had with working with the members on the public accounts committee. As Helena said, as well as the permanent members of the committee, there are a number of members who come on and they sub in from time to time. It really has been great working with everybody.

I'd have to say, too, that the office has been very fortunate. We do try to be non-partisan, but I think we've really been respected by the members of the Legislature.

The other thing I'd like to say, too, is that there are a lot of compliments—"Oh, McCarter, you've done a pretty good job"—but I'm sure all of you know that you are only as good as the staff that you have, and I've been extremely fortunate in having a very strong staff at the office. Two of them are here today: the deputy auditor, Gary Peall, and Susan Klein, who has been handling the health portfolio for about nine years. But I've been extremely fortunate having such a motivated staff, because as you might imagine, when somebody sees "Office of the Auditor General" on the call display when you pick up the phone to phone them, we're not always welcome when we go in. But I'd have to say that the staff perseveres, and any credit that the office gets for a job well done really goes to them, so I would like just to have that on record. But I really do appreciate this.

Having said that, I think I might hand the ball off to my deputy and head off into the sunset. Thanks very much.

**Mr. Phil McNeely:** Chair, I just wanted to say—I wasn't included in that list that you had going around.

**The Chair (Mr. Norm Miller):** Go ahead.

**Mr. Phil McNeely:** I'm complaining again.

I very much enjoyed working with you, Jim, and I think that the approaches that you took really made a difference, as France said. That was important because these aren't on the shelf. I think that you hear the government say, every time, that we've taken those recommendations of the auditor and certainly included them in the policy as we go forward.

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I'll give you the ultimate compliment: Because of the concise way that you went about everything and the good reports, you would have made a good engineer as well.

**Mr. Jim McCarter:** It is a compliment, Phil.

**The Chair (Mr. Norm Miller):** Thank you for that, and I hope you recover soon.

**Mr. Jim McCarter:** Thanks so much.

MS. BETHANN COLLE

**The Chair (Mr. Norm Miller):** If I could now call our first witness of the afternoon, Bethann Colle, to come forward, please. Welcome.

**Ms. Bethann Colle:** Thank you. Could I also just correct my last name?

**The Chair (Mr. Norm Miller):** Yes. Please.

**Ms. Bethann Colle:** It's Colle.

**The Chair (Mr. Norm Miller):** Thank you. Sorry about that.

**Ms. Bethann Colle:** That's quite all right.

**The Chair (Mr. Norm Miller):** Just to confirm that you've received the letter for someone coming before the committee?

**Ms. Bethann Colle:** Yes, I have.

**The Chair (Mr. Norm Miller):** Very well. Our Clerk will do—

**The Clerk of the Committee (Mr. William Short):** Did you want to swear an oath or be affirmed?

**Ms. Bethann Colle:** I'll be affirmed.

**The Clerk of the Committee (Mr. William Short):** If you'll just raise your right hand, please. Ms. Colle, do you solemnly affirm that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth?

**Ms. Bethann Colle:** Yes, I do.

**The Clerk of the Committee (Mr. William Short):** Thank you.

**The Chair (Mr. Norm Miller):** You can take some time for an opening statement if you'd like.

**Ms. Bethann Colle:** Okay. Thank you, Mr. Miller.

I joined the board of Ornge in the fall of 2007. I had recently completed the director's education program with the Institute of Corporate Directors, which is where I met Rainer Beltzner. During breaks, he talked about Ornge with great passion and great enthusiasm, so I was very honoured when I was asked to join the board.

I came to the board with extensive experience in marketing and consulting. I'd worked in an agency that provided outsourced integrating marketing services and had as many of my clients—I had an airline and had done work with government. Since 2000, for the past 13 years, I've been providing consulting services in the areas of marketing, recruitment and strategic planning. My consulting services also had included work with various medical associations. This expertise enabled me, along with other things, to assist Ornge and the foundation in terms of awareness-building and fundraising strategies.

What mainly drew me to Ornge, though, was the vision that was articulated by the Ornge leaders and how it coincided with some of the volunteer work I'd been privileged to undertake in developing countries in the last few years. I won't get into a lot of detail; we don't have the time. But most of that work had been for not-for-profits in the health care industry, including, coincidentally, one organization that was founded in Kenya in the 1950s to provide air-base service to expand health care to remote communities.

After I joined the board, I did a ride-out in a helicopter out of Toronto. That was my first ride-out. I remember very clearly, as if it were yesterday, landing on a highway at the site of a head-on collision. I was so impressed by the efficiency of the pilots and the work that the medics did prior to transporting this young woman to Sunnybrook. I just thought if it was a family member or if I was in that type of situation, I would just hope to have that type of excellent care.

I say this because I think it's important to remember that, despite all of the negative statements that are sur-



rounding Ornge these days, there are exceptional people who are working in this organization, both on the ground and in the air. We really should be very, very grateful to have them as part of our health care system in Ontario.

Now, in terms of what's transpired since 2011, there should be a clear distinction drawn between the allegations of improper payments to certain Ornge executives and the supposed impropriety in the creation of the for-profit side of the organization.

If the allegations being made against management prove to be true, it will be apparent to me and I believe the Ornge board generally that we were very much deceived by all those concerned. I will be angry and unusually disappointed.

Regarding the creation of the for-profit entities, although I was not actively involved in the boards of the Ornge Global companies, I approved the development of the for-profit structure because I did view it to be in the best interests of our patients. The for-profit structure was designed to bring additional revenues to Ornge, which would enable more service to patients. Yes, it was complex, but the Ornge board took steps to ensure that Ornge was insulated from risk and that service to our patients would never be compromised.

I just think it's truly, truly unfortunate that these separate matters became embroiled and that the issues with management resulted in the downfall of the initiative to expand Ornge's revenue sources and to improve service to Ontarians.

That's my opening statement. Thank you. I'm here to answer any questions as best I can.

**The Chair (Mr. Norm Miller):** Very well. Thank you. We'll start with the government and Ms. Jaczek.

**Ms. Helena Jaczek:** Thank you, Ms. Colle. You explained to us that you took a course related to becoming a member of a board of directors, and through that, you met Mr. Beltzner.

**Ms. Bethann Colle:** Yes.

**Ms. Helena Jaczek:** Did he invite you to join the board of Ornge?

**Ms. Bethann Colle:** Yes, he did. He invited me to join the board—well, he invited me to meet with Dr. Mazza and to discuss it further with him. It was after those meetings that I was invited to join the board.

**Ms. Helena Jaczek:** Did the board have any sort of nominating committee?

**Ms. Bethann Colle:** Yes, the board did have a nominating compensation committee. I was not on it.

**Ms. Helena Jaczek:** I see. But you weren't interviewed by a subcommittee or anything like that?

**Ms. Bethann Colle:** No, I wasn't interviewed.

**Ms. Helena Jaczek:** But in some way, they felt your skills in marketing and strategic planning were something that you could bring to the board?

**Ms. Bethann Colle:** Yes.

Can I just jump ahead and maybe answer a little bit more of your question? I understand that I don't come from aviation and I don't come from health care. I also understand and I know that, obviously, good governance

with any board requires a certain amount of diversity—I don't just mean because I'm a woman, but diversity in terms of thought, background and where everyone comes from. I believe that I was asked to join because of my general business background. I had already been sitting on a board, took the course—which I think was invaluable—and also had a lot of passion for what they were doing based on what I had seen with my work overseas.

**Ms. Helena Jaczek:** Were you offered compensation to join the board?

**Ms. Bethann Colle:** Initially, the first-year compensation came out to about \$4,000 to \$5,000 for the first year.

**Ms. Helena Jaczek:** Did you think that was unusual at all, given that this was a public service air ambulance for Ontarians?

**Ms. Bethann Colle:** No. The reason I say "no" is because it was explained to me at the beginning that Ornge was operated—I don't know if I should use the words "private company," but it was operated as a separate entity; that it was not an arm of the government, that it was operated at arm's length. So I was not surprised to hear that the board was compensated.

**Ms. Helena Jaczek:** But you were aware that the funding came from the Ontario government to run the air ambulance system.

**Ms. Bethann Colle:** Oh, yes, very much so.

**Ms. Helena Jaczek:** In terms of your experience with strategic planning, were you then involved with developing a strategic plan for the organization?

**Ms. Bethann Colle:** Yes. I would say the entire board was. When I joined in fall 2007, we were informed that the plan would involve developing for-profit services, if you will, or for-profit entities to benefit Ornge. Then it was going to be a matter of how we were going to go about it. Although I did not sit on the board of Ornge Global, I do want to make it clear—because I don't want to pull myself away from that—that I did sit on the board of Ornge that was involved in the strategic planning of how Ornge Global was going to be developed, what it was going to look like and the entities that were going to make it up.

**Ms. Helena Jaczek:** Did you have any concerns about this corporate structure that was being developed to further the private, for-profit side of the business?

**Ms. Bethann Colle:** I would say my concerns were always to safeguard Ornge, as in the not-for-profit. Whenever we discussed what was going to be happening on the Global side, on the for-profit side, the concerns were just, "Let's make sure that it's not taking away from the service that Ornge is going to provide," that Ornge financially would not be hurt, but rather would be helped." So, as long as those safeguards were met, I was comfortable with what we were doing.

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**Ms. Helena Jaczek:** Who brought the new structure to the board? Who introduced what we know now was developed—

**Ms. Bethann Colle:** Yes, that chart.



**Ms. Helena Jaczek:** This chart.

**Ms. Bethann Colle:** I would say that Alfred Apps was very instrumental as the architect behind that structure.

**Ms. Helena Jaczek:** And he was convincing that this was appropriate? Is that the way—

**Ms. Bethann Colle:** Well, he was convincing but, as was alluded to before, we had a number of outside companies, if you will. I mean, there was Deloitte and there was PwC and Davies and so on. So, yes, Alfred Apps was convincing. But at the same time, we also had fairness opinions that were rendered, we had independent committees set up, so I was very comfortable with what was being presented.

**Ms. Helena Jaczek:** You know that the Auditor General references a founders' equity plan.

**Ms. Bethann Colle:** Yes.

**Ms. Helena Jaczek:** Were you aware of that?

**Ms. Bethann Colle:** I was aware of that, I would say, in January 2011, so this is after the Global structure had been put in place. I recall getting a call at home from Dr. Mazza—as I know several of the other people who have been interviewed have said—and he explained to me that there was going to be this founders' equity plan that was sort of a thank you, I guess, for lack of a better word, for having structured the board.

Now, we never really took it much further than that. From what I recall, I was either going to get 10 shares or 20 shares—because I remember writing out a cheque for 10 cents or 20 cents that never got cashed—and that it was going to be worth some percentage of 1%. It was maybe going to be worth something in many, many years, and you still had to be sitting on the board. There was never a final document; nothing was ever drafted. So it's not that I don't want to say I didn't put much stock in it, but, you know, this wasn't—

**Ms. Helena Jaczek:** But it was presented as a way that you might receive some future compensation.

**Ms. Bethann Colle:** Yes, I would say that's how it was presented by Dr. Mazza on the phone.

**Ms. Helena Jaczek:** In terms of the marketing agreement with Agusta, what was your involvement with that?

**Ms. Bethann Colle:** Well, the marketing agreement was developed by Ornge Global, and I wasn't sitting on the Ornge Global side, so I wasn't involved in the marketing agreement.

**Ms. Helena Jaczek:** So they didn't—

**Ms. Bethann Colle:** But I was certainly aware of it; please, I don't want to make it sound like I wasn't. But I never actually saw what the agreement entailed. I mean, I think I knew it was 18 or 24 months, and there was a certain amount of money that was going to be paid for it, and it was going to be staffed and so on. But I was not privy to the actual agreement other than hearing about it.

**Ms. Helena Jaczek:** So it wasn't sort of an item of active discussion on the main Ornge board?

**Ms. Bethann Colle:** No. I mean, again, we were aware, but it wasn't actively discussed.

**Ms. Helena Jaczek:** And from what you heard, the little that you did hear, you didn't see anything that you would object to?

**Ms. Bethann Colle:** In principle, no, because in my mind—again, coming from a marketing background, if you will—when you've got two companies like this and they've entered into an agreement, to me it makes perfect sense to say, "All right, how can we leverage what each other is doing in order to help each other continue to build our respective businesses?" So, to me, it made perfect sense. I mean, I can't say that I ever had any objection.

I did know that there was going to be some sort of agreement that was going to be talked about, because in the original contract with Agusta—with all its many articles and pages and so on—there was a one-liner that did say something about Ornge and Agusta are going to be talking about a joint agreement, a joint marketing or a joint business arrangement, at some time. But it was literally a sentence or two, and then, I guess, they followed up on it after that.

**Ms. Helena Jaczek:** To what extent were you involved in the discussions around Dr. Mazza's salary and remuneration in general?

**Ms. Bethann Colle:** As a board, we approved—well, as you know, there was the CLISTE report, the 120-page report. We did not see it, but we got a presentation summarizing what it was all about, including recommendations. As a board, we all voted on, or we agreed to, his compensation.

**Ms. Helena Jaczek:** Did you find it unusual in any way? Did you question the amounts that were being proposed?

**Ms. Bethann Colle:** Because it was based on—in other words, the report, as I'm sure you know, was based on private industry. The comparables were private industry, and they were based on companies that were in—I'm not trying to avoid the question; I just want to explain a little bit—they were based on transportation, insurance, medical companies, etc., that were all in the, I think it was, \$100-million to \$250-million field or something like that. Those were the comparables. They also presented it as, "We're going to keep him"—and I can't remember the percentile, but it was something like within the 50th percentile.

When all of that was presented, and given where we were going with Ornge, to me it made sense, so I can't say that I had any objection to it.

**Ms. Helena Jaczek:** So you didn't think of asking for some public sector comparables, knowing that the funder of Ornge was the Ontario government?

**Ms. Bethann Colle:** It was presented to me. I did not brief CLISTE, if you will; I'm assuming that our compensation committee did, but when it came to us, it was just private sector.

**Ms. Helena Jaczek:** Were you aware of the amount of time Dr. Mazza spent on the private side as compared to the public side, percentage-wise?



**Ms. Bethann Colle:** No, I was not aware percentage-wise.

**Ms. Helena Jaczek:** And you didn't ask that question, "How much is public"?

**Ms. Bethann Colle:** No. I did not. I suppose I always viewed—because he was spending more and more time or doing more and more work on the for-profit side, again, the way I viewed it was that what we're doing on the for-profit side is to benefit Ornge in the long run. I also understood that when the for-profit side was established, which was January 1, 2011—officially, if you will—that if he was spending a lot of time there, then that's where his compensation was going to be paid out of.

**Ms. Helena Jaczek:** It didn't concern you that perhaps his attention had deviated from the core business of the organization?

**Ms. Bethann Colle:** I guess I didn't feel that it had deviated that much because he had such a strong management team in place. With Tom Lepine as CEO, I felt very comfortable. We had regular meetings, the operations meetings and so on. So no, I didn't feel that it was detracting from it. I do understand what you're asking, because one can only be split in so many pieces, but I just felt that he had a really good management team in place.

**Ms. Helena Jaczek:** What sort of figures were you given on the potential rate of return from these for-profit entities?

**Ms. Bethann Colle:** We were told that 3% of gross revenue, or roughly 15% of net revenue, was going to be flowing back to Ornge. I asked the question—I'm sure it's in the minutes somewhere, because I specifically asked, "Why 3%? Should it be 2%? Should it be 5%?" I was assured by a number of people in the room who had more financial experience than I did that this was a strong rate of return for Ornge, so I relied on that expertise.

**Ms. Helena Jaczek:** So what was going to happen to the other 97%?

**Ms. Bethann Colle:** In order to create the for-profit entities, you had to have private investors. These people were investing and they were looking to make a profit.

**Ms. Helena Jaczek:** I see. So you did question the percentage that would come back into the not-for-profit air ambulance piece. You heard it was 3%, and you were told that was reasonable.

**Ms. Bethann Colle:** Yes.

**Ms. Helena Jaczek:** It was 3% of what? What was the expected revenue?

**Ms. Bethann Colle:** I don't recall the expected revenue, but the number that I definitely do recall is that the target was to build it up to \$200 million by a certain year—it might have been within 10 years. Therefore, out of that \$200 million invested at—excuse me, my memory is not that great on this, but let's say roughly 4%—that then that would come back, and that would help close the service gap so that we'd be able to service another 2,600 patients a year. That was basically where this was coming from.

**Ms. Helena Jaczek:** In terms of the actual operations as a board member, you presumably received reports as to the staffing at the various bases, the availability of paramedics and so on. You've alluded to these 2,600 extra patients. Were you also aware that, in fact, the number of patients served was pretty much a flat line?

**Ms. Bethann Colle:** Absolutely not. The report that the board received, and this I am very clear on in my memory, is that at one point—I can remember hearing that, say, since 2006, roughly, the number of patients that we had served had increased, roughly, by about 15% and that we were serving 21,000 patients, and that the number of calls that were not serviced had decreased, in a good way, by 19%. So when I heard/read in the AG's report and so on that we were servicing the same or fewer patients, that was a big surprise.

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**Ms. Helena Jaczek:** Okay. To what extent were you involved or heard about the shift to purchasing the fleet as opposed to contracting out—the decision to purchase aircraft?

**Ms. Bethann Colle:** We were quite involved, because if I recall, those discussions came around 2008. Would you like me to tell you what I heard about it?

**Ms. Helena Jaczek:** Yes, I'd like to hear what you knew about it.

**Ms. Bethann Colle:** All right. About 80%—no, I shouldn't say that; excuse me. All of the helicopters, planes, etc. we were using were from third-party contractors. I think that helicopters were probably the bigger issue. In terms of the helicopters, we were seeing some very strong, high increases in fees and rates from our service providers. I mean, I saw 30% or 40% numbers in any given year, so one issue was the increase. The other was the fact that the helicopters were old; we were dealing with, you know, 30-year-old equipment.

Sorry, I don't want to get away from the question, but I think what it came down to was: The discussions centred around the fact that it was going to be far more—from a safety and costing point of view, we should definitely internalize the rotor and the fixed-wing aircraft, and we should own it and not be leasing it out. I even recall a number that said that—I believe it was maybe by the end of 2011—by internalizing it there had been savings of over \$3 million. This just has to do with rotor wing.

**Ms. Helena Jaczek:** Were you aware that two of the helicopters were not dedicated for patient transportation?

**Ms. Bethann Colle:** No, I don't think so.

**Ms. Helena Jaczek:** Apparently, that's the case.

**Mr. Lincoln Caylor:** She's asking about the option to purchase the two—

**Ms. Bethann Colle:** Oh, I'm sorry. I was back on the Sikorskys. Thank you for the clarification.

Yes, we purchased 10 Agustas, with the option to purchase two more, and we did end up purchasing 12. I think that at the time we made the decision—obviously, the time between purchase and delivery can be whatever it was; a year-and-a-half or two years—we were not



exactly sure if we would have a need for 12 at that point. But we felt very confident that if we did not, then we would just sell the two extra Agustas, which is why they were not equipped with medical interiors.

**Ms. Helena Jaczek:** I see. Were you aware of Dr. Mazza's expenses—the ski trips, the food and beverage bills?

**Ms. Bethann Colle:** No, not at all.

**Ms. Helena Jaczek:** You never saw that in front of the board as a whole?

**Ms. Bethann Colle:** No, not at all. The first that I heard was probably through the media.

**Ms. Helena Jaczek:** Do any of my colleagues have any questions? How much time do we have left?

**The Chair (Mr. Norm Miller):** Hang on a second—three minutes.

**Mr. Phil McNeely:** I have one. How did these board meetings happen? I ran a business for 35 years, and I guess we changed over those 35 years. How often were these board meetings? How good a record did you get? Were you, as board members, getting the full picture of what was happening?

**Ms. Bethann Colle:** The board meetings were scheduled quarterly, unless needed, so they were every three months. We had a board meeting schedule a year out in advance, so we knew. The materials received were—whatever that is—about four inches thick. So, yes, there was an awful lot of preparation done by management to inform the board of what was going on, and there were very detailed minutes kept of the board meetings and the in-camera. So, I know that the process that was followed was very diligent.

**Mr. Phil McNeely:** Did you feel confident that you knew what was happening within the organization?

**Ms. Bethann Colle:** I felt confident. I've never been one to be afraid to ask questions, so if I had a question, I asked and it was answered. I felt very confident at the time.

**Mr. Phil McNeely:** You didn't get the expenses as you moved—that was your answer; you didn't see the expenses of some of the people who were spending a lot of money on promotion and whatever. That would normally be shown to the board members as you moved forward—the expenses. That's a huge part of a director of the type of firm I ran. You didn't see the expenses at all?

**Ms. Bethann Colle:** I'm sure that we saw expenses in the financial statements; I know that we did. I guess, to get back to both questions, I definitely did not see a breakout of what Dr. Mazza's expenses were. But, yes, in any financial statement there would be expenses, and they would be broken out by legal and whatever else it's going to be. But, no, I had no idea what kind of money was being spent by Dr. Mazza.

**Mr. Phil McNeely:** Was there protocol of what had to be shown in the quarterly meetings?

**Ms. Bethann Colle:** I would say, as far as finance, it would be—I mean, every quarterly meeting we saw financial statements. It just was not broken down to that

level. I'm sorry; I realize I'm probably not answering your question but, no, I didn't see anything broken down to that level.

**Mr. Phil McNeely:** I have no other questions.

**The Chair (Mr. Norm Miller):** Thank you very much. We'll move to the opposition: Mr. Klees.

**Mr. Frank Klees:** Thank you, Chair. Just for clarification, I see you have counsel with you, I believe, who has not been identified to the committee at this point. I wonder if we could have your name and the firm that you're with.

**Mr. Lincoln Caylor:** Lincoln Caylor, Bennett Jones—the same counsel that was here for all of the former directors that have appeared.

**Mr. Frank Klees:** So you're counsel to all of the directors?

**Mr. Lincoln Caylor:** All of the former directors that are appearing before this committee, yes.

**Mr. Frank Klees:** Okay. Can I ask who's paying your fee?

**Mr. Lincoln Caylor:** The directors are responsible for my fees, and Ornge will be indemnifying them for the fees.

**Mr. Frank Klees:** Okay. I'm assuming that there has been a briefing with counsel of all of the directors prior to this hearing.

**Ms. Bethann Colle:** Yes, we met with counsel. Yes.

**Mr. Frank Klees:** And what would the purpose of that briefing be?

**Mr. Lincoln Caylor:** I'll answer it this way: to prepare for these hearings would be the extent of it. To the extent you want to get further into the briefings, I'd ask the Chair to consider the privilege with respect to that. My clients would assert that.

**Mr. Frank Klees:** Okay. We've had extensive discussion about privilege at this committee. We really are interested in ensuring that we're getting to the facts of the case. The reason I say that is that we're now to the third director, and it's very obvious that presentations are very well organized.

**Mr. Lincoln Caylor:** I'll take that as a compliment.

**Mr. Frank Klees:** Yes. To your credit, I hope; obviously they're getting their money's worth.

It seems that the nomination committee for Ornge, for directors, is Mr. Beltzner, and that's rare in itself. I mean, typically, as directors, especially independent directors, are appointed, there would be, if it's done properly, a process of interview to ensure that the appropriate skills are there and that a chair doesn't have control over the rest of the directors, which is why they're referred to as "independent." Would you agree that that is the typical way of having directors appointed to a board?

**Ms. Bethann Colle:** Yes, I would agree that that would be a way it would be done.

**Mr. Frank Klees:** Did you ever question as to why you would not have been interviewed for your role as a director?

**Ms. Bethann Colle:** Well, I believe I was—when you say "interviewed"—I was interviewed by Mr. Beltzner



and I was interviewed by Dr. Mazza. Those were the two interviews. That's the way it happened.

**Mr. Frank Klees:** You're experienced; you took a director's course. I would think that part of that would have been some education about how directors are appointed and the importance of the perception, at least, that there isn't a collusion of sorts between the chair and the CEO. After all, the role of the director is to hold the CEO accountable, not to be blessed by the CEO. Would you agree?

**Ms. Bethann Colle:** I just didn't view there being any impropriety with the way that I was asked to join. I mean, I had separate interviews with Dr. Mazza and with Mr. Beltzner, and I don't just mean coffee breaks at the director's course. We talked about it after. It never even occurred to me that there was any impropriety in the way that this was being done. That would be my answer.

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**Mr. Frank Klees:** There were a number of very key financial transactions that were undertaken by Ornge while you were a director. One of those was the \$275-million debenture offering. In the offering memorandum it was made very clear that there is only one source of funding for Ornge, and that is the province of Ontario. As someone who is experienced in business—you have your own business. You also, I believe, are on two other boards?

**Ms. Bethann Colle:** Yes. I'm currently on two other boards.

**Mr. Frank Klees:** Could you tell us about those companies?

**Ms. Bethann Colle:** Yes, of course. One is called Urbana, which is an investment fund, which is part of Caldwell Securities, and it's based in Toronto. The other one is called Polar Ray-O-Max Windows, and it is a window-and-door manufacturer based out of Winnipeg. It is owned by a private equity firm called Riverside out of the US. Those are the two boards I'm currently on.

**Mr. Frank Klees:** So you're not a stranger to financials and—

**Ms. Bethann Colle:** I'm not a financial person—I will be very upfront about that. I've done lots of budgets and I understand balance sheets, yes, but I would not be heading up an audit committee; let's put it that way.

**Mr. Frank Klees:** So from your perspective, any potential investor in this debenture offering—how would they view the role of the provincial government when it comes to funding of Ornge and when it comes to backstopping any potential default, if you will?

**Ms. Bethann Colle:** Sorry, can you repeat the question?

**Mr. Frank Klees:** Sure. The offering memorandum, which I am assuming you have also read—

**Ms. Bethann Colle:** Oh, absolutely—\$275 million, yes.

**Mr. Frank Klees:** —makes it very clear that the province of Ontario is the 100% funder of Ornge. It also makes it clear in numerous places that, should Ornge default, then it's the province of Ontario that would assume responsibility for paying the liabilities or assum-

ing the capital assets, and coming good for what is outstanding. Would you agree with that?

**Ms. Bethann Colle:** Yes.

**Mr. Frank Klees:** That is why, obviously, this was a successful offering.

**Ms. Bethann Colle:** Yes.

**Mr. Frank Klees:** Okay. You see, I believe that, too. We've had a number of witnesses come forward who dispute that.

Based on that, I'd like to move forward to this very complex corporate structure that you say—and you've admitted in your testimony to Ms. Jacek that the board was fully briefed all through the piece in terms of what the plan was and how this corporate structure would work. So I'm assuming—correct me if I'm wrong—that you also understood that one of the reasons for the restructuring was to hide the salaries of Mr. Mazza and other senior executives. Is that correct?

**Ms. Bethann Colle:** No.

**Mr. Frank Klees:** Do you know—

*Laughter.*

**Ms. Bethann Colle:** I don't mean to laugh, but I'm just saying, do you want me to elaborate or do you want to finish—

**Mr. Frank Klees:** No, I would like to ask a question.

**Ms. Bethann Colle:** Okay.

**Mr. Frank Klees:** Are you aware that the salaries of the senior executives, including Mr. Mazza, were shifted out of Ornge, the not-for-profit, and into one of the for-profits?

**Ms. Bethann Colle:** Yes, because it was part of Ornge Peel, which was on the not-for-profit side, and it was moved to the for-profit. Yes.

**Mr. Frank Klees:** You were aware, as a director, that the result or one of the results of that is that once that shift had taken place, those salaries would no longer need to be reported on the sunshine list. Is that true?

**Ms. Bethann Colle:** I need to back up. The salaries, which were under Ornge Peel—we call it the left-hand side of the not-for-profit side—had been there for a long time prior to the shift. The reason, as I understood it when I joined the board, is that Ornge is a not-for-profit—charitable status. We have a foundation and so on. Even when I joined the board in 2007, Ornge was already doing some for-profit work to bring revenue into Ornge. For example, it was doing some work with a company that does airline simulation and so on, and it was doing some work for the government of Saskatchewan. Because of that—so this is way before any of this—all of those salaries, the management salaries, were put in Ornge Peel.

If you're asking me personally did I think about the sunshine list, yes or no?—no. To me, it was just an extenuation of this is what had to be done legally, financially etc. for Ornge to do what it had to do in terms of raising more money on the right-hand side. I'm don't know if I'm answering your question, Mr. Klees. I'm just—

**Mr. Frank Klees:** Well, not exactly but—

**Ms. Bethann Colle:** I'm doing my best.



**Mr. Frank Klees:** I'm just surprised that you wouldn't have been aware because there is documentation that was presented to this committee about legal opinions, about disclosing the salaries and so on and so forth. So obviously, that was an issue, and for a director not to be aware of that exchange of information—

**Ms. Bethann Colle:** No, I didn't say I wasn't aware; I said I understood the reasoning and the rationale behind why it was done and why it was started back in 2006, I think.

**Mr. Frank Klees:** So you didn't think that there was anything wrong with these salaries not being disclosed, notwithstanding the fact that 99.999% of all of the funding that flowed into Ornge and then out—that those salaries would not be disclosed to the public?

**Ms. Bethann Colle:** I did not have a concern with it because I viewed those salaries as being on the for-profit side—and it still comes back to the reason behind this—I still always had Ornge not-for-profit in our best interests, I thought, but the reason behind it was that to do this complex structure, those are where the salaries had to reside. So I didn't have a concern with it.

**Mr. Frank Klees:** All right. I'd like to move to another issue. You were obviously aware of the fact that part of the money from that \$275-million offering was used to purchase the head office of Ornge.

**Ms. Bethann Colle:** Yes.

**Mr. Frank Klees:** And you would also have been aware that that office was purchased for \$15 million, correct?

**Ms. Bethann Colle:** Absolutely.

**Mr. Frank Klees:** And you would also be aware that the valuation then, subsequent, was how many millions more?

**Ms. Bethann Colle:** It was \$26 million or \$28 million—

**Mr. Frank Klees:** Right. And then you would have been aware that—it was \$9 million actually, over and above—

**Ms. Bethann Colle:** I read that. I believe that was in the AG's report.

**Mr. Frank Klees:** That's right.

**Ms. Bethann Colle:** Yes.

**Mr. Frank Klees:** And that money then was used—it was siphoned, essentially, into the for-profit entity. What was going to happen with that money?

**Ms. Bethann Colle:** The money that was moved over to the for-profit entity, I believe at first it started as a loan. Then it went from being a loan to actually making it—what's the expression I'm looking for?—basically a shareholder, if you will. In other words, it would benefit from whatever happened with the right-hand side, with those entities.

**Mr. Frank Klees:** Right, so essentially—I want to get back to this whole concept of creating these for-profits and the shareholdings, then, that would be assigned to the directors. Because here's what has happened—correct me if I've missed something. We've got \$150 million of funding flowing from the Ministry of Health into Ornge.

Ornge is going to use a good part of that money to seed the for-profit companies. That's a fact, because money has flowed from Ornge not-for-profit into some of these companies. Then, those for-profit companies will be built up over time. The expertise and the historical asset of the air ambulance service are owned by the government, the taxpayers of the province of Ontario. That expertise would then be used to build up the for-profit companies, and the shareholders of those for-profit companies would ultimately benefit from that and they would essentially be enriched as a result of the historical equity that existed in Ornge. Did you not see that?

**Ms. Bethann Colle:** I saw it differently. I'm not trying to be sarcastic; I really did see it differently. Let me get back to seed money, because we talked about the fact that—sorry, we haven't talked about that fact yet. Agusta basically invested or provided seed money for Ornge Global. That would be just the first part. The other part is that, yes, those people who invested, whoever the 20 or 30-whatever equity partners were going to be—I don't really know who they are; as I said, I wasn't on the Global side, but they probably started talking with some of them—were going to hopefully do well. But the way I saw the benefit to Ornge was that we were licensing all of our skills and our expertise—there was a master licence agreement—to get money flowing back into Ornge to help service 2,600 patients or more.

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**Mr. Frank Klees:** But essentially you were licensing the historic air ambulance service that was the property of the people of Ontario. The offering memorandum, on the strength of which you raised \$275 million, refers to the historic expertise of the air ambulance service. Ornge wasn't even part of that history. The history that you're trading on is the history of the Ontario air ambulance service, which had nothing to do with Mazza, had nothing to do with the board of directors that was imposed on Ornge—it had nothing to do at all with that.

Essentially, what has happened is that this wonderful scheme has taken a 20-year track record of the Ontario air ambulance service, is marketing it out there as something that was supposedly conceived by Mazza and company and is leveraging that into a \$275-million funding mechanism. Then from that, it goes into Ornge Global, it goes into buying helicopters, buying fixed-wing aircraft. Essentially, what we've got is a house of cards here, because in the end, when the playthings of Mr. Mazza fall apart, guess who's holding the account? It's the people of Ontario.

This year, I understand that Ornge is obligated to pay more than \$3 million back to the debenture holders, and yet we're told there's no increase in funding from the Ministry of Health. We were also told in testimony that heretofore, Ornge was paying \$2 million out of its budget to do the organ transport. That has been offloaded to Trillium, so now Trillium is paying the \$2 million. Now we're \$5 million in the hole. Where's the money coming from? If there's no more funding—patient care; you're going to cut back on hospital transfers.



I'm simply saying that what I believe has happened here is a gross failure of oversight. I understand that Mazza was very effective at casting his vision, but I also see that there was a gross failure on the part of the people who were in a position of oversight to ensure that what this was all about, which was delivering an essential air ambulance service, was the priority. In fact, it became a secondary issue.

We heard testimony here that a paramedic base was shut down because there wasn't enough money. But in the same breath, there were all kinds of activities going on around the globe of Mazza peddling his vision, and the board of directors didn't see that. I find that incredibly bizarre. It's not just you, as a board; I think the Ministry of Health assumes its responsibility. There were failures on both levels.

I'd like to ask you—Chair, how much time?

**The Chair (Mr. Norm Miller):** Two minutes.

**Mr. Frank Klees:** I just want to ask you this: The loans that were made to Mazza, \$500,000, \$450,000, \$250,000—at one point, \$2 million in loans—I know you signed off on them and I know Mr. Pickford testified this morning that he signed off on them. Did you not have any concern that the CEO of a corporation, who has the responsibility to put the financial structure together to deliver an essential service, was essentially bankrupt?

**Ms. Bethann Colle:** Mr. Klees, I'd like to respond to that. Again, I don't want to distance myself from the Ornge Global side, but I need to make it very clear that the only loan that I was aware of was the first loan of \$450,000, which was made to Dr. Mazza. It was at Canada Revenue interest rates. It had a five-year term. It had some form of security; I'm sorry I don't remember exactly what the security was. But I was not aware of the other two loans until probably January 2012, and it's only because I was not on the global board. So, I'm not trying to distance myself; I'm just saying that I wasn't aware of them, and therefore I wasn't aware of what the background or the rationale was for them, I'm sorry.

**Mr. Frank Klees:** My last question, if I might.

**The Chair (Mr. Norm Miller):** Okay, a very quick last question, please.

**Mr. Frank Klees:** In hindsight, knowing that apart from the financial implications there was a serious undermining of patient care—we have the evidence in the Auditor General's report and reports made to cabinet—do you have any regrets as a director, as you look back and see some of the red flags that were there? Do you have any remorse over the fact that patients actually died?

**Ms. Bethann Colle:** You know what, Mr. Klees? I have a difficult time with that question, and it's not because I'm a cold-hearted individual; not by any means. You know this: Patients who are being transported by air are in very, very critical condition. To say that patients died—I mean, I don't think there's been a coroner's report; correct me if I'm wrong. But to start saying that patients died because of any form of neglect by Ornge, I just can't even answer that question.

If you were to ask me in terms of regret—I know I'm running out of time here—it would be that of course I wish I knew what management was doing or not doing, because if that had been the case, I would've been the first one to say we should be firing the CEO.

**The Chair (Mr. Norm Miller):** Thank you very much. We move to the NDP. Ms. Gélinas.

**M<sup>me</sup> France Gélinas:** Thank you for being here. My first question is—you've seen some of your colleagues on the board; they are here today in this room—just share a bit with us, for those quarterly meetings when you met, how long were they, what kind of exchanges existed between you, how did it work?

**Ms. Bethann Colle:** Well, they were generally full-day meetings. As I indicated, even the binders we got in preparation for the meetings were quite lengthy. The way they worked is that very often different areas of management would come in. For example, under operations, Tom Lepine would come in, and under operations, you'd have the medical advisory committee—the MAC—and there were a number of sort of committees that fell within the areas of patient care, patient safety, etc. So we would have presentations, and we'd have discussions with those management people in the room. We would have meetings where the foundation would come in quarterly and report on what they were doing—and, of course, financial.

So the way it worked was that every meeting was well defined. It had an agenda that pretty much ran the whole day, and the appropriate people from management—including, of course, Dr. Mazza, who usually sat through the whole meeting—were there presenting to us, and we had discussions.

**M<sup>me</sup> France Gélinas:** Taking you then to one of your last meetings—the others all did, but I don't think you said in your opening statement why you left or when you left or how you left the board.

**Ms. Bethann Colle:** Okay. I left the board the same as the other board members who have presented today, and Mr. Lowe, who is going to after me. It was January 2012. I guess the board had to resign legally; I suppose the board couldn't be fired, if you will. We just decided that—just let me just go back. I think that when all these allegations started coming out, there really was a sense of, "We're going to do our absolute best and work with the government and work with key stakeholders, and we're going to manage our way through it." But as things just became more entangled and worse, we realized in January—I think it was in January—that the board basically had to resign and that a new board was going to be put in place.

**M<sup>me</sup> France Gélinas:** What were some of the arguments that convinced you that that was the right path to go through; that people with the breadth of knowledge, experience and corporate memory would all be gone at once, and that would be good for an agency?

**Ms. Bethann Colle:** Originally, we talked about a transition period, and I clearly remember this. We talked about, should the board stay on for another—I don't



know what it might be—three to six months as we transitioned a new board in? But I think we all knew that there was such a—what's the expression I'm looking for? Everything surrounding Ornge had just become so negative that, as much as we want—and I know each one of us probably really did want to stay on the board—that it was time to do what was best for Ornge, not necessarily what was going to be best for ourselves individually or whatever, and the best thing was to start new and start afresh, which would also include a new CEO.

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**M<sup>me</sup> France Gélinas:** Did the ministry ever ask you to consider resigning?

**Ms. Bethann Colle:** I didn't have a discussion directly with the ministry. I assume that Mr. Beltzner probably did more than I did. I don't know if the request was made directly or if we were asked, or asked to consider it. I just wasn't part of that discussion.

**M<sup>me</sup> France Gélinas:** And the president never shared that with you, that the ministry had asked the board to resign?

**Ms. Bethann Colle:** As in Dr. Mazza? No.

**M<sup>me</sup> France Gélinas:** No, I meant Mr. Beltzner.

**Ms. Bethann Colle:** Oh, I'm sorry. I would say that the board—I don't want to put words in his mouth. My recollection is that the board was encouraged to resign. I think that would be the best way to put it.

**M<sup>me</sup> France Gélinas:** By whom?

**Ms. Bethann Colle:** By the ministry.

**M<sup>me</sup> France Gélinas:** Okay.

**Ms. Bethann Colle:** That's my recollection.

**M<sup>me</sup> France Gélinas:** Okay. So you were on the board for a number of years. You knew that it was a not-for-profit agency and that it was getting its money to offer air ambulance through the Ministry of Health. How much oversight do you figure the Ministry of Health had over your agency?

**Ms. Bethann Colle:** Well, from a board perspective, I don't know how much interaction there was. I personally never met anybody from the ministry. I do know, though, that there was a—so, first of all, there was a performance agreement in place, and I recall from the performance agreement that certain things had to be reported every 30 days, some every 60, some every 120. I was also under the impression that various senior management people were in conversations with the ministry, depending on what was involved, but I myself was not.

**M<sup>me</sup> France Gélinas:** Okay. It's a question I've asked your colleagues, but I'll ask you also: Had the ministry come and—we'll back up a bit. You're aware that Ornge was planning a significant change to its corporate structure, and that an 11-page letter was written to explain the new direction with the new corporate structure and the new venture, addressed to the Ministry of Health and cc'd to 16 other people?

**Ms. Bethann Colle:** Yes.

**M<sup>me</sup> France Gélinas:** You're aware of this letter?

**Ms. Bethann Colle:** Yes.

**M<sup>me</sup> France Gélinas:** You're also aware that Mr. Beltzner and the legal counsel, Mr. Apps, came to the ministry—to the government—and basically explained what was in that briefing letter?

**Ms. Bethann Colle:** Uh-huh.

**M<sup>me</sup> France Gélinas:** What is your recollection of those visits, of those efforts on the part of Ornge to bring the ministry up to date as to your new direction?

**Ms. Bethann Colle:** Well, my recollection, as you stated, was that there was the letter from January 2011 where everybody was copied. I know that then they went to the ministry, and I believe that they met with the Deputy Minister of Health, if I'm not mistaken, as well as a number of other people, because there were three different ministries, I think, that were involved or at least copied on the letter. Then, I was told that it was presented, things went very well, and no one had any objections.

Yes, that's what came back to the board. It was—I don't want to say blessed, because I don't want to use their words, but that everything was fine to go.

**M<sup>me</sup> France Gélinas:** Everything was fine to go? So, if they had come back and said, "The ministry has serious worries about our corporate structure and doesn't support the vision that we're putting forward," what would have happened then?

**Ms. Bethann Colle:** I know that the board would have said, "Okay, let's stop and let's talk about what your concerns are," because in the end, our key stakeholder is still the ministry. Yes, I fully believe that we would have had further discussions, that it wouldn't have been, "Well, too bad, we're going ahead anyway." I don't think that would have happened at all.

**Mr. Jagmeet Singh:** Just to clarify, when you received those—you knew the letter went out and the ministry was apprised of what was going on—

**Ms. Bethann Colle:** Yes.

**Mr. Jagmeet Singh:** You didn't want to use the word "blessings," but did you receive any letters or any other correspondence—a phone call or an email from the ministry—saying that they had any concerns about the plans?

**Ms. Bethann Colle:** Mr. Singh, I'm not aware of any, and I am not aware of the board receiving any. That would be my fair answer. I don't know if there were any follow-up phone calls from the ministry even just to ask a question. I just don't know.

**M<sup>me</sup> France Gélinas:** Can you foresee a scenario where the ministry actually had serious concerns that would not have been brought to your board?

**Ms. Bethann Colle:** No. I mean, with all the people that it was presented to and who were involved, I'm sure that if somebody had a concern, it would have come to the board. You've all seen the letter. It was very detailed, with all the charts and so on that were attached, so it wasn't like it was a two-page memorandum. There was a lot there to read and absorb and understand, and anybody who read it—I think if they had had any concerns, it would have surfaced. That would be my impression.



**M<sup>me</sup> France G  linas:** I would say it was a significant transformation of the agency in taking on a new path. I agree; I had the pleasure of reading the letter many times.

I'll go back a bit, as to here you are on the board of directors of a not-for-profit corporation providing air ambulance services to the people of Ontario. You know that the Ministry of Health funds those services so that people like me, who live in northern Ontario, are not left on our own and can rely on air transportation when we need to.

The part that really doesn't sit well with me is that this is money that comes from the government. Not-for-profit agencies are allowed to make money. You've been in a not-for-profit long enough. Lots of not-for-profit agencies sell things, rent things, do anything they can to bring in more money. How come this scenario was never brought forward? Why couldn't Ornge do the subcontract to Saskatchewan with the existing not-for-profit? Why couldn't you do the training and just bring the profits right back into the not-for-profit Ornge?

**Ms. Bethann Colle:** It's an excellent question, if I may say that. The scalability wasn't there. If I use the example of the foundation, which was great, it brought in, I believe, around \$4 million, maybe \$5 million over the few years that it was running, and that's terrific. And then there was some of the work—Saskatchewan and so on—that was done. But in order to really bring in—we're not a hospital. We're not Sick Kids, which does a fabulous job and probably brings in hundreds of millions of dollars a year. I don't think we were going to get to that point, or it was going to take a very long time. So aside from the foundation, how do you create the scale to bring in enough money to hopefully save, if you will, or be able to work with 2,600 patients?

That's really where this came from, from my perspective. We've got to build something big in order to get in the kind of money that we need. Otherwise, if not, we could have just kept with the foundation, which did a great job. That was, like, purchasing medical equipment and so on, but that again may have been a few million dollars a year, and we were looking to do more.

**M<sup>me</sup> France G  linas:** What kind of scale are you talking about? A few million dollars a year is—

**Ms. Bethann Colle:** Oh, no, it's quite a bit; I'm not saying it's not. But at least with what was created on the for-profit, we were trying to scale it so that we'd be able to service at least an additional 2,600 patients a year, because we knew there was this—

**M<sup>me</sup> France G  linas:** So how much money are we talking about?

**Ms. Bethann Colle:** We were trying to reach, over the period of many years, this fund of \$200 million, but not eat into the fund, then use that and basically invest and, let's say, make 4% or 5%. That's what got us to the 2,600 patients.

**M<sup>me</sup> France G  linas:** Okay.

**Mr. Jagmeet Singh:** I just wanted to ask you if you could respond to this or if you have any comments with respect to this. Some folks have testified or given their

deputations here and have said that one of the concerns they saw when they looked back, in hindsight, about Ornge is that the decision to go down a different model meant that there was a shift away from patient care and towards expansion. Are you able to respond to that, or were there any precautions put in place to prevent that from happening? That's been a concern, in hindsight, that an unintended consequence of the new model was that the shift went away from patient care to trying to expand too quickly, and patient care may have suffered because of that.

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**Ms. Bethann Colle:** You know, Mr. Singh, I can certainly see why that would be a concern. It would be a natural one. The way that I looked at it and I think our board looked at it is that we had a very strong management team in place. I'm going to speak specifically to Tom Lepine, who was COO and who I think was doing an excellent job at the time; I really do. So, you know, when I look at it from a view of, "How do you protect Ornge, the not-for-profit?", I view it as we had a management team in place. They knew what they were doing; they were very strong. Dr. Mazza's role was evolving, moving—whatever term we want to use—to the for-profit side to help create this. So did I have a concern? No.

Also, you've got to realize—you don't have to realize, but the metrics were and the numbers we were given were that the numbers of patients were increasing in terms of patients we were serving. We had all this wonderful new equipment versus the old equipment. So, you know, we had reports from a medical advisory committee. I mean, we really viewed it and saw that every year patient safety and all of our standards were improving. So when some of this came out that it wasn't—when I used the word "disappointment" in my opening statement, that's, you know—

**Mr. Jagmeet Singh:** My colleague has another question.

**M<sup>me</sup> France G  linas:** So, just to clarify something you just said to Jagmeet, you had confidence in Tom Lepine and so you felt at ease to see that Dr. Mazza was going to be working on the new vision on the for-profit side. How come nobody ever said, "Hey, guys, let's stop this. We are using public money to do for-profit work. This is a no-no. This is not allowed. You cannot use public money to go on to do for-profit ventures."

**Ms. Bethann Colle:** I don't know if this is where your question is going, Madame G  linas, but I know that when the Ornge for-profit was formed—I think the official date was January 1, 2011—any work, and I'll use Dr. Mazza as an example, that was being done by Dr. Mazza—let's say it was, and I'm going to pick a number, 30% here and 70% there. Whatever the percentage was that he was working on the for-profit side was not coming out of government money; it was coming out of the seed money, the investment that Agusta had made in Ornge. So I just think it's really important that—and the same thing if Maria was spending time on the for-profit side, or



Rhoda Beecher was. I mean, those people were being paid out of money that had been invested by an outside party; they were not being paid by government money. I just want to—

**M<sup>me</sup> France Gélinas:** Okay. This is what you believe to be true?

**Ms. Bethann Colle:** Yes, this is what I believed to be true. This was my understanding.

**M<sup>me</sup> France Gélinas:** It is not true.

**Ms. Bethann Colle:** Okay, I'm just—

**M<sup>me</sup> France Gélinas:** Dr. Mazza, Maria Renzella—they were all paid with taxpayers' money. There was never for-profit money generated to do anything. But this is the bill of goods that they were selling you and you were comfortable with that?

**Ms. Bethann Colle:** I was.

**M<sup>me</sup> France Gélinas:** Okay. I know that you have an expertise in marketing.

**Ms. Bethann Colle:** Yes.

**M<sup>me</sup> France Gélinas:** Did it surprise you at all that an agency that knows zip-all about marketing gets for its very first contract in marketing a \$4.7-million contract? You must have done a few dances around the office on that day.

**Ms. Bethann Colle:** To answer that question properly, I would have had to have seen the marketing agreement. Being a marketer and having an understanding, if you're going to fulfil a \$4.7-million contract, you probably have a staff of—I'm going to pick a number—a dozen people that are working over an extensive period of time that are being billed at so much an hour. I mean, I don't have to explain that, I guess. So, yes, it sounded great, but Augusta is a large company and they have big budgets, and I've worked with clients with big budgets. As long as you can justify the work that you're doing in terms of the deliverables, which, as I said, I don't know what they were—yes, it's definitely a good-sized contract.

**M<sup>me</sup> France Gélinas:** But you knew that Ornge had no expertise in marketing. I mean, you come from the field of marketing; you know how long it takes to build the trust with a client before they will invest \$4.7 million in you, and no bells went off to say, "Wow, this is a lot of money. Ornge knows nothing about marketing"—

**Ms. Bethann Colle:** No, because I assumed that the Ornge Global side, who was doing this, was going to hire the right people. It was as simple as that. I mean, Ornge has the expertise and the intellectual property and sort of the good name—if I can put it that way—internationally, because I did understand that Ornge was well recognized within its category of air ambulance internationally. So it had that, which is good.

Then, as somebody who's a recruiter now, I mean, you basically hire the right people who are going to do the marketing or whatever we want to call it—business development—for you. So, no, I knew we didn't have it in house. But I assumed that coming out of that money, it was also going to go to salaries, to people you were going to bring it.

**The Chair (Mr. Norm Miller):** You have a minute left.

**M<sup>me</sup> France Gélinas:** Did you ever follow up on this to make sure that this was actually what was happening? Did you ever ask, "How big is our marketing department now? Are they bigger than your girlfriend and her"—

**Ms. Bethann Colle:** No, I did not. Again, I'm not trying to distance myself from Ornge Global, but, because I had not even seen the marketing agreement, I was not aware of how it was being staffed.

**M<sup>me</sup> France Gélinas:** Any regrets?

**Ms. Bethann Colle:** I guess my one regret is that we did not know what was going on from the management side. I mean, that's just the killer, right there. Personally, and I think to the board as a whole, I just feel really, really deceived—incredibly so. I just can't believe it's come to this. Yes—it's kind of sickening. That's it—but thank you.

**M<sup>me</sup> France Gélinas:** Thank you.

**The Chair (Mr. Norm Miller):** Thank you very much, and thank you for coming before the committee today.

MR. DON LOWE

**The Chair (Mr. Norm Miller):** I'd next like to call Mr. Don Lowe. Good afternoon, Mr. Lowe. I just want to confirm that you received the letter for a witness coming before the committee.

**Mr. Don Lowe:** Yes, I did.

**The Chair (Mr. Norm Miller):** Thank you. Our Clerk will do either an oath of witness or an affirmation.

**The Clerk of the Committee (Mr. William Short):** Mr. Lowe, do you solemnly affirm that the evidence you shall give this committee touching the subject to the present inquiry shall be the truth, the whole truth and nothing but the truth?

**Mr. Don Lowe:** I do.

**The Clerk of the Committee (Mr. William Short):** Thank you.

**The Chair (Mr. Norm Miller):** Thank you. If you want to make an opening statement, please feel free.

**Mr. Don Lowe:** Yes. Thank you, Mr. Chairman. My introductory remarks to you will be fairly limited and are designed to give you background on my motivation for joining the Ornge board and my general view on certain issues pertaining to the former board.

I joined the board in the spring of 2008 and remained a director until my resignation in early December 2011. Like other board members, I was initially approached by Rainer, and subsequently Dr. Mazza, for a general introduction to Ornge, which led to a discussion of its mission, its business culture, and frankly, I was very impressed during these discussions, particularly with their enthusiastic dedication to make Ornge a world-class medical air transport provider to serve the best interests of Ontario. Also impressive was their operational freedom, which I think is very important as an independent organization, which enabled them to move quickly on very needed operational changes.



As part of these discussions, they outlined their recent strategic decision to purchase aircraft and helicopters in order to operate their own air transportation system. Given my extensive background and experience in the aerospace industry, I believed that I could contribute to this new strategy, and for that reason, and that reason alone, I agreed to join the board.

I'm the most senior member of the former board members of Ornge by age, and probably the most experienced, as age has provided me with time to spend on many boards and many various business sectors. The former Ornge board, in my view, was a very competent and dedicated group of individuals with experience in diverse fields, who always had the interests of the Ontario patient foremost in their minds during board deliberations.

Our studies, supported by outside consultants, had indicated that, due to population growth and demographic changes, demand for Ornge services will grow significantly in the years to come. Ornge will require additional funds to satisfy this demand, but the government had indicated that additional funds would not be available going forward.

Our answer to this problem, supported by the entire board, was to develop a strategy for revenue-producing businesses based on Ornge expertise, which would help cover this increasing demand. There was never any personal gain or benefit behind the strategy for the directors. We were focused entirely on dealing with this future problem, which will have to be addressed, probably by this government, sooner rather than later.

1400

Thank you, Mr. Chairman. I'll welcome questions.

**The Chair (Mr. Norm Miller):** Thank you for that statement. We'll move to the opposition. Mr. Klees?

**Mr. Frank Klees:** Thank you for being here today. We, as a committee, are struggling with what went wrong at Ornge, with all of the good intentions. Obviously, we continue to hear the term "deceit" and we continue to hear from witnesses. The three former directors—you've been here and you've heard their testimony—it seems they weren't being given information that they thought they were being given, whether it was the number of patients that were being served—that was misrepresented; or whether it was the quality of service—clearly, that was being misrepresented.

The overriding question that I have is this: You've been on a number of boards. There is a responsibility on the part of a director to challenge information, to ensure that there's supportive documentation for information that is being provided. My question to you would be this—you were on the finance and audit committee?

**Mr. Don Lowe:** No, I was not.

**Mr. Frank Klees:** Oh, you were not. Which committee were you on?

**Mr. Don Lowe:** I was on the compensation committee.

**Mr. Frank Klees:** Okay. So, on the compensation committee, did you, at any time, call into question the fact that some \$1.2 million was being extended to Mr. Mazza over and above his salary? Did that not trigger a

question in your mind about what was happening in his life, that someone would have to come to an employer and asked for that kind of financial support, a \$250,000 advance against bonuses? I'd just be interested in your thoughts as a director, as a business person, as someone who has had the responsibility to manage organizations: What does that tell you about that individual?

**Mr. Don Lowe:** I really don't want to comment on the personal life of Dr. Mazza, but let me just talk about what I call loans to employees. The first thing is, I'm not very much enamoured with them. I find that when you extend a loan to an employee, it usually ends up leading to a problem of some sort. Fundamentally, I'm not an enthusiastic supporter of loans. I have expressed that view on the compensation committee.

The other side of that is that, in my experience, particularly with young CEOs who have demands on them by their families, and they're involved in schools and school fees and houses and taking kids to camp and doing all sorts of things, a loan to help them with their housing often is one of the things they really want, whereas when you're looking at a CEO who is in his fifties or sixties, with his compensation, he's not very interested in that because he's at a different stage of his life. He is looking at retirement benefits, insurance for retirement and deferred compensation—those are the kinds of things that he focuses on.

In the case of Dr. Mazza, he had a young family. He had, I gather, a couple of marriages that didn't go well, and I could understand the demand or the need for a loan of some sort, a housing loan. When it was discussed at the compensation committee, even though I was not a supporter, the loan was eventually recommended to the board, and the board chewed it over and they, in turn, supported it. I was not involved in the other two loans. I'm not sure why, but for some reason I was not included in those. I'm not sure how they were handled, so I really can't comment on those. But as I said, I really don't want to comment on his life and his lifestyle. I think there was a genuine problem.

The other side of that is, I share the view that we, as a board, believed that he was the proper person at that time to run the business and that we could run some risk of having him attracted to other companies who maybe would provide a much better compensation package than we would. That is why we hired a professional compensation person to come in and take a look, to be sure that we were competitive in the marketplace.

You must remember that Dr. Mazza could very easily leave and go and work for any number of companies. He had some very, very unusual qualifications. It's not very often you find a medical practitioner who has an MBA and who is really an entrepreneur at heart, and I think he was the right man for the business at that time. I changed my opinion later on.

**Mr. Frank Klees:** With all due respect, I think it would probably have been in everyone's best interest had you let him take a job with someone else—

**Mr. Don Lowe:** I'm not sure I share that opinion.



**Mr. Frank Klees:** Millions of dollars and a great deal of patient care would have been improved.

We had testimony from a former employee, Mr. Tom Rothfels.

**Mr. Don Lowe:** Yes.

**Mr. Frank Klees:** You recall Mr. Rothfels. What role did Mr. Rothfels play in the company? Do you recall what his—

**Mr. Don Lowe:** Yes, I think—and one of the reasons I was invited to join the board is my background in the aerospace industry. Tom and I believe one or two other consultants were hired really to support the management group with their expertise in the aerospace area. Tom, I think, was a consultant. I don't think he was an employee. I think he probably was there for a year or a year and a half during the acquisition period for both the fixed-wing airplanes and also the helicopters.

**Mr. Frank Klees:** So his testimony at the committee—have you read his testimony?

**Mr. Don Lowe:** Yes, I have.

**Mr. Frank Klees:** So you'll be aware that he testified that he was intimately familiar with the weight upgrade that has been under discussion here today and that relates to the marketing service agreement, that he had serious concerns about it because, as he relayed to us, he was aware that in fact Agusta had waived that weight upgrade charge, that it was not owing to Agusta, that he had expressed it to Mazza and that that was dismissed. Mr. Rothfels told this committee that he had serious concerns about that, that it didn't smell right to him. So I put the question to him when he was at this committee: Did you tell anybody on that? Did you disclose that to anyone on the board?

I'd like to just quote from his testimony, and I'll start with my question to him: "Did you ever express your concern to any member of the board?" Mr. Rothfels' reply was, "Yes." "And who was that?" His response was, "Don Lowe."

My question was, "And what was the response from this member of the board?" Mr. Rothfels replied, "He expressed some concern"—I'm quoting—"and surprise and indicated that he would look into it. But I think his feeling was that the lawyers had covered this or papered it or something to that effect."

My question, "Knowing what the fiduciary responsibilities of a director are, did it concern you that that would be the response of a member of the board, that the legal had papered it?" His response was, "The timing was such that, once I had expressed these concerns about this transaction internally and was quite vocal about it, I became persona non grata internally at Ornge. Within a few months, I had left Ornge, and the meeting that I had with Don Lowe took place a week or so after I left Ornge. I felt I had a responsibility to make sure at least someone on the board was aware of my thoughts, and so I had that meeting."

1410

Mr. Lowe, as a director of the board, Mr. Rothfels took his concerns directly to you. Could you tell us what you did with that information?

**Mr. Don Lowe:** Let me put this into context. I had known him for some time. He phoned me. He, at that time, expressed over the telephone that he was planning on—and I had heard that he had left Ornge—that he was thinking of taking a new job in Brazil. Because I have a number of business contacts in Brazil, he said, "I really would like to discuss this with you." I said, "Fine, Tom. Let's get together and I'll be glad to discuss it with you. If I can be of any help"—which I do a lot of—"I'll be glad to help out."

When he came to me and we had this meeting, the first thing that became very evident was that he was a very, very bitter person. He was very, very unhappy because, later I found out, he was not selected to become the president of Ornge Air. He spent three quarters of the time with me pouring bad water on Ornge and everything about Ornge. I realized that his entry of saying, "I was going to talk to you about a job in Brazil," really was not the point. He needed to unload on somebody.

During that conversation, he talked to me about the factors, one of which was the problem of weight for the helicopters. The impression I got from Tom is that he was really unhappy with the fact that he wasn't promoted, but this was just another—pardon the expression—bitch.

Anyway, I don't ever remember saying what you have just quoted as being said that I ever said. I don't think I would ever say that. But anyway, I took that and I went and I had a meeting with the chairman of our finance committee, because my impression from what Tom had said was that it wasn't properly handled from a financial point of view. I went and talked to Barry and said, "Barry, tell me about this particular weight problem." And he said, "Well, it's been handled properly. The finance department has discussed it. We've also had the auditor take a look at it." He said that there are no problems surrounding it. I said, "Fine," and I backed away from the issue.

But let me just make a comment. Every acquisition of an airplane of any sort always has a weight discussion. It's a problem, and the problem with airplanes is weight determines the range of the airplane. If you put a lot of equipment on an airplane, the first thing you know, you're dealing with a different problem: The airplane won't fly as far as it should fly. So every contract that I've been associated with in my years in the business always ends up with a weight problem.

It's a problem that is usually solved internally by the management of the company. It's not a board issue. That solution may be a technical solution—you would take equipment off the airplane; it may be that you've changed something on the airplane. But every contract has that problem simply because it affects the performance of the machine.

There's nothing unusual about this. Normally, it would be settled by the management group, and I'm assuming the technical part of that problem would be solved by the management group. It would not be a board issue per se.



**Mr. Frank Klees:** Mr. Lowe, are you suggesting that it's a normal course of events to have a weight issue on the table as a charge of some \$2.8 million, to have that negotiated out of the deal so that there's nothing owing, and the CEO insists they're going to pay the \$2.8 million anyway, notwithstanding the fact that the supplier had agreed not to charge for it? Are you saying that that this normal?

**Mr. Don Lowe:** What I'm saying is normal is, a negotiation takes place within the management group to solve the problem. How it is—

**Mr. Frank Klees:** But we're not talking—the problem was solved—

**Mr. Don Lowe:** Wait a minute, now. Let me finish. How it is solved, I have no idea. I was not there. I was not part of the negotiations. It may be, for example, if Ornge put additional equipment on the airplane, like extra instrumentation, they should pay for it. On the other hand, if it was a problem that the manufacturer had created, there probably would be a payment the other way. I was not part of those negotiations, but what I'm saying is that happens all the time. The resolution would be for that particular problem on that particular product.

**Mr. Frank Klees:** The fact is that the negotiations that took place between management resolved the problem in such a way that the supplier agreed not to charge for it. The CEO of the company insisted that Ornge pay that money to the supplier notwithstanding, and, in the ensuing weeks and months, that money flowed back to one of the for-profit companies of Ornge. Surely to goodness that is not normal business.

Now, are you aware—

**Mr. Don Lowe:** Why do you say the same money flowed back?

**Mr. Frank Klees:** Well, I don't think it takes a whole lot of brilliance to figure out the flow of the money. And, sir, I have to tell you, there are not many people in this province—and I've talked to many who are far more astute than I am at business, and they see that as a huge red flag. I think, as a director, it would have behooved you to follow that through.

I want to ask you this: Are you familiar with Finmeccanica?

**Mr. Don Lowe:** Yes.

**Mr. Frank Klees:** And what is that company? What is that company's relationship to Agusta?

**Mr. Don Lowe:** I believe they're the holding company that owns it.

**Mr. Frank Klees:** Are you aware of the number of fraud and bribery charges against the senior executives of Finmeccanica involving the sale of helicopters?

**Mr. Don Lowe:** Only what I read in the newspaper.

**Mr. Frank Klees:** Sir, can you tell us—

**Mr. Don Lowe:** I have no idea what the circumstances are surrounding those problems. I'm sorry.

**Mr. Frank Klees:** Ironically, those circumstances are very similar to the circumstances we have at Ornge: kickbacks of monies in the very range that we're talking about that relate to a bogus marketing agreement.

No one buys the fact that Mr. Mazza's girlfriend was capable of heading a group of employees that was going to deliver a marketing agreement to an international aerospace company and have anyone accept that that is a credible contract. Anybody should have seen through this.

What's disappointing for us is that the board that had the oversight responsibilities of Ornge who, notwithstanding all of the corporate machinations, had only one source of income, and that was \$150 million of scarce health care dollars that clearly were being siphoned off into somebody's vision. It's so disappointing that Mr. Rothfels would have taken his concern, as an executive, bitter or not—maybe one of the reasons that he was bitter was because of what he saw going on in this organization. I would expect, and as he shared with us, he was extremely disappointed that no one took him seriously.

I'm going to ask you just this question: In hindsight, knowing now that even Mr. Beltzner admits that there was a problem with that deal because of a memo that both he and Mr. Pickford found out about that confirmed the fact that there was no charge, that confirmed that fact that the supplier had agreed not to charge for that weight upgrade—in retrospect, do you regret that you didn't take Mr. Rothfels more seriously and pursue that?

**Mr. Don Lowe:** Not at all. I think that my follow-up on that particular issue, as mentioned to me, that he thought that it wasn't properly handled from a financial point of view—he didn't say to me, as I recall the conversation, that there was any other opposition to making the payment. He didn't describe all the detail of the discussions that took place. I was not part of those; I was not privy to the information that came out of them. I didn't even know that there was this problem of payment and non-payment. It didn't reach me or the board. His comments to me were very mild and, as I said, in an atmosphere of bitterness. I think I followed it up appropriately.

1420

**The Chair (Mr. Norm Miller):** Thank you. We'll move on to the NDP: Ms. Gélinas?

**M<sup>me</sup> France Gélinas:** Thank you for coming. I will start my question the same way I did to your three colleagues that are here today, and taking you back to your time on the board. Basically, how was it? Did you find it was a productive, professional board? Did you have any worries about the information or the work that you were doing?

**Mr. Don Lowe:** I did not. Looking back now—of course, in retrospect you always think of things you didn't know and suddenly you know. Of course, that always concerns me. As a long-time-serving director on many companies, you're always concerned when something like this happens. But I think that the discussions that took place, both at the committee level and also at the board level, were very vigorous. I think the information we got, at least from our point of view at that time, was adequate. We certainly had a view on everything that we had to have a view on, like the financials. We had an operational report on a regular basis.



Some of the issues that are coming up here, for example, in terms of the performance of the company relative to patients, we had a very thorough report that came to us from the operational people in terms of the number of patients that were carried and what sort of problems they had.

We also had a committee—in the event of a death, we had an outside committee that looked at that death in terms of what created the problem and had we responded properly to it? You must remember—I think our former director mentioned it—that when you're carrying people that are very sick, you're going to have some that are going to die in-flight. That's just the game you're in. But the few that we had—there usually were only one, two or three a year that would fall into that category—were thoroughly investigated by an outside group of professional and very prominent medical people, and they reported back to the board. They reported back because we were interested in knowing what had happened. As I said, I felt that we were being properly informed.

I have since learned that we were not being properly informed. That, to me, was very, very discouraging because in the end, a board has to trust the management group. You can't investigate every little thing; you have to have that trust. I think we enjoyed that trust to begin with. It was only later in the history of the board that we got into problems. What came out in terms of the salary and in terms of other items I think was very, very disappointing—very disappointing.

**M<sup>me</sup> France Gélinas:** Speaking specifically about the salary, you were on the compensation.

**Mr. Don Lowe:** Correct.

**M<sup>me</sup> France Gélinas:** You would have had intimate knowledge of the negotiations to come to a compensation package for Dr. Mazza.

**Mr. Don Lowe:** Correct.

**M<sup>me</sup> France Gélinas:** Can you walk me through a scenario that leads us to where we are, where he gets a \$400,000-a-year stipend for a medical overview that he doesn't do?

**Mr. Don Lowe:** I think our chairman went through the process, with this committee, of how we operated in terms of the committee and how we employed outside services of compensation experts in order to get proper perspective on where he was in the market. That, in turn, went to the board, and the board chewed it over. I think also he went through the pay-for-performance arrangement that we have, which I think is a very effective system.

**M<sup>me</sup> France Gélinas:** That's not my question. My question is—

**Mr. Don Lowe:** No, but I just wanted to come back to it. The approval and the recommendations that we produced in the committee and passed on to the board, based on the expertise material we'd receive from our outside consultant, never ever envisioned an extra \$400,000 being paid as a medical director. We were unaware of that. Had we been aware of that, certainly the compensation package would never have been what it was. We

looked after the \$500,000, I think it was, which was his salary.

His bonus consideration was another 100%, and he could earn up to a million dollars. When the announcement came out in the paper that he was earning \$1.4 million, I couldn't believe it. I didn't know where it came from, frankly. It was only in January 2012 that, talking to our chairman, I found out about this extra \$400,000 as a medical director, and I was very, very upset.

**M<sup>me</sup> France Gélinas:** Can you think of one reasonable explanation why, after having done all of that work and all of that due diligence to come out with an appropriate compensation package that you could defend, that you could explain—is there one reasonable explanation why you didn't know about the \$400,000?

**Mr. Don Lowe:** Frankly, I can't. But let me say, Dr. Mazza, who interacted with the committee—compensation packages are put together with the desire of the CEO and what you can afford and what value there is to the corporation. He had every opportunity to tell us about it. In the interface through the years, it was never mentioned, yet it was part of his compensation. Frankly, he lied.

**Mr. Jagmeet Singh:** So he was allowed to make up to a million dollars.

**Mr. Don Lowe:** Yes.

**Mr. Jagmeet Singh:** Just in terms of the way of achieving that number, other hospital CEOs who manage a much larger budget and manage a much larger number of employees—for example, any of the major hospitals in downtown Toronto have considerably larger budgets and a considerably larger support staff—don't make a million dollars or max out at that much. Compared to Ornge, where the budget is \$150 million and the staffing is much less than the major hospitals in downtown Toronto, did that factor into your discussions at all?

**Mr. Don Lowe:** Not really. The comparison that we were making was with the private sector. Our external consultant came in with the comparators. You must remember that he was vulnerable, really, to be hired away to the private sector. Certainly that was a consideration in our discussion.

Also, as Ornge progressed, the responsibilities of Dr. Mazza changed considerably. He was shifting away from the day-to-day operations, which were being run by Lepine, and he was going into this entrepreneurial phase of developing for-profit operations to supplement and flow back into Ornge. So his responsibilities changed completely. We felt and the consultant felt that it was appropriate that this would be the kind of package that would be out there that we would face if somebody came in tomorrow and decided to hire him.

Bear in mind, the salary was \$500,000. The other \$500,000 may or may not have been paid, depending upon his performance. He had to really produce and achieve all the objectives and he had to be very much on the top of the scale in order to get the million dollars, or the extra \$500,000.

**M<sup>me</sup> France Gélinas:** You heard the comments that I made to the witness before you. That was public money



paying for his salary. How can you ever agree to use public money to fund the for-profit entrepreneurial new venture that he was going to do?

**Mr. Don Lowe:** Well, I didn't quite look at it that way. The money that went into the other side was money that was generated in the refinancing of the building and it was loaned to that group. Also, the other money, I think, that went into it was the marketing money. The arrangement he had on the marketing agreement went into that operation, and that was the money that was being used as seed money to go out and build the businesses. We couldn't build the businesses unless we had some money to spend and go out and talk to customers and make presentations etc. There had to be some way to fund it, and that was the way we funded it.

**M<sup>me</sup> France G  linas:** I'm going to come back to oversight. I take it that you knew that it was the Ministry of Health that was funding Ornge, funding the air ambulance. What do you figure the role of the ministry is when it funds an ambulance service?

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**Mr. Don Lowe:** Well, that's an interesting question in terms that they are the major stakeholder. I would look at them as kind of my view and my experience would be as a major shareholder, and I would say that that's the kind of role they should have as a major shareholder.

I think that the interface between Ornge and the ministry, in my view as a director, was pretty good. Let's be honest. They got quarterly numbers. They got year-end numbers. They got an audit report. They got a strategy report. Each year, we made a business presentation to them. They interfaced at the management level where, if they had a day-to-day problem, I'm sure the telephone was picked up and people were called and there was an interface at that area. From our view, or at least my view, I think the interface was pretty good.

**M<sup>me</sup> France G  linas:** So you really saw it that they had many levels of oversight—at the operations level, at the reporting level, at your business presentation, at your yearly audit—so if there was anything that displeased them or that worried them, you felt that the communication systems were in place that you would have known?

**Mr. Don Lowe:** I would have thought so—probably through the chairman who would interface more than, say, an individual board member like me.

**M<sup>me</sup> France G  linas:** And you've heard the testimony of everybody before you, the 11-page letter that was presented, Mr. Beltzner or Mr. Apps coming to Queen's Park talking to a number of deputies, explaining your new vision. Is it also your feeling that they came back from this with a clear mandate from the ministry that all is good, this is a good plan, we're being supported, we're moving on?

**Mr. Don Lowe:** That was my impression, and certainly we had a report from the chairman who was at the meetings that there was no objection. In fact, I think there was some enthusiasm expressed by some of the people for the plan. But certainly we did not receive any negative attitude towards—

**Mr. Jagmeet Singh:** The report that was provided, was that tabled at the board meetings?

**Mr. Don Lowe:** Well, I'm not sure it was tabled, but all of us had a copy of it and we all read it.

**Mr. Jagmeet Singh:** And the report was from Mr. Beltzner?

**Mr. Don Lowe:** I'm not sure who wrote the report. Whether it was Mr. Beltzner or whether it was Mr. Apps, I don't know.

**Mr. Jagmeet Singh:** Okay. And the report basically outlined that the ministry was aware of what the proposed plan was—

**Mr. Don Lowe:** No, no. He gave a verbal report. I'm sorry.

**Mr. Jagmeet Singh:** Okay.

**Mr. Don Lowe:** I'm referring to the report that they took and they presented.

**Mr. Jagmeet Singh:** Yes, yes.

**Mr. Don Lowe:** The chairman gave a verbal report, as I recall it.

**Mr. Jagmeet Singh:** Okay. So you recall that the chairman did give you feedback—

**Mr. Don Lowe:** That's right.

**Mr. Jagmeet Singh:** —that the ministry was aware of what was going on and supported it or had no problems, and in fact gave you one anecdotal piece that they were enthusiastic?

**Mr. Don Lowe:** That's right. There was someone. I don't know who it was, but that was what I recall from the report.

**M<sup>me</sup> France G  linas:** Okay. And from that winter on till, we'll say, the end of November—we'll avoid December 2011. So in January 2011, the chair of the board and the legal counsel go, come back, do their report, "We've outlined our new corporation structure or new strategic direction. This is where we're going." From that time on, has the ministry ever contacted Ornge in one way or another that you know of to say, "Oh, no, we've changed our minds. We were enthusiastic back in January, but now we really don't care about it" or anything else.

**Mr. Don Lowe:** Never heard a thing.

**M<sup>me</sup> France G  linas:** It stayed clear sailing the whole time—

**Mr. Don Lowe:** Now whether or not something happened at the management level or not, I don't know, but certainly the board was not aware of any negative—

**M<sup>me</sup> France G  linas:** And you had board meetings since then?

**Mr. Don Lowe:** Oh, yes, on a regular basis.

**Mr. Jagmeet Singh:** The interface you talked about, that you felt in your opinion as a board member that there was sufficient interface between Ornge and the Ministry of Health, what were the objective elements of that interface? What can you point to—the pieces of it? If you could just list a number of them.

**Mr. Don Lowe:** Well, no. I look at the normal interface, and you know the regulatory interface with a company is financial. We had a financial interface which



took place on a regular basis, and we had an independent outside audit on a regular basis. As I recall, any significant change in strategy was always—we felt the obligation to go back to the stakeholder. Each year, the stakeholder received a business plan review of what was going to happen next year, and that was an iteration, again, where you went in and presented the plan, and that was tied back into the compensation system.

There was that interface. Then there was the information interface that takes place. For example, if the Auditor General comes in, we work with him well—I hope we do—and if there are items that can be cleaned up quickly, they're cleaned up quickly. If they're not, the board eventually ends up looking at them and monitoring them to make sure they are cleaned up. But there is that interface going on at all times. I think it continued at that level, and it probably was through the financial department. It certainly would be through the operational department, which looked after the day-to-day operations. If there were complaints in the field, they would come up through the operational side into Tom Lepine's area and he would address them. That was his job.

I did not feel that there were any problems in these particular areas. At least, we had no signals, no red flags.

**M<sup>me</sup> France Gélinas:** No signals, no red flags.

You look like a wise man.

**Mr. Don Lowe:** I'm not sure about that.

**Mr. Lincoln Caylor:** Take it while you can get it.

**M<sup>me</sup> France Gélinas:** You know how things have turned out.

**Mr. Don Lowe:** Yes.

**M<sup>me</sup> France Gélinas:** You were asked to resign from the board. How many times in your life have you been asked to resign from a board? Yes. Things did not turn out as planned, did they?

**Mr. Don Lowe:** No, and I'm disappointed. I'm disappointed not for myself, because I'm at the age and stage that it's not that important. But I'm disappointed because I think there were so many good people involved and they've had to pay the price. I feel very, very sorry for them. Some of these people cannot work in the health industry anymore, and I think that's a tragedy, a real tragedy. That concerns me more than anything else: that innocent people have got caught up in this turmoil and they're paying the real price—not you and I. They're paying the real price.

**M<sup>me</sup> France Gélinas:** We know of some whistleblowers who had come to us who are now out of work. I don't know when they will ever find other work, so, yes, there was some real human suffering—

**Mr. Don Lowe:** That's right.

**M<sup>me</sup> France Gélinas:** —and real hardship that came out of all this.

That brings out a bit of frustration that all four of you, all four previous board members, are so—how can I say it?—reluctant to show that things went wrong. There's nothing wrong with saying that there are good people at Ornge; I agree with that. They are good workers who put in their 100% every day, but to stand there in front of us

and keep telling us that all was great, the vision was great, everything was great—it's really hard for me sitting here to listen to this. Was it really that great?

**Mr. Don Lowe:** I just don't know how to respond to you. I appreciate your sentiments and I'm very sympathetic. Looking back, of course, we would like to have things turned out differently, but unfortunately the information and decisions we made were based on the information we had at that time. I think that we all believed—I speak for myself only, of course—that we made the best decisions we could at that time with the information we had. Would I do it differently? I certainly would if I had different information, and I think the salary issue a good example. If I had known that he was being paid \$400,000, there's no way that I would ever have made the recommendation of the comp committee to the board, and I'm sure the board wouldn't make that decision either.

When you ask, "How did that happen?", frankly, I think you have to look in the mirror and say, "Could I have done any differently?" If I'd known, I would have, but—

**M<sup>me</sup> France Gélinas:** You talked about the issue of trust; that in order for the board of directors to do their work they have to trust their CEO, because this is who filters the information that comes to them. Is this really where you pin it: that you trusted somebody with giving you the full information, you made your decisions based on that, and this is where it fell apart?

**Mr. Don Lowe:** I would say, that's part of the package. I think that all of us trusted him, and our trust was misplaced.

**The Chair (Mr. Norm Miller):** Thank you, and we'll move to the government now. Ms. Jaczek?

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**Ms. Helena Jaczek:** Thank you, Chair. Mr. Lowe, we've been given your biography. Clearly, through the years you've served on many, many boards. They're mostly, as I can see here, in the private sector; they're for-profit corporations.

**Mr. Don Lowe:** Correct.

**Ms. Helena Jaczek:** Do you have experience on not-for-profit charitable boards?

**Mr. Don Lowe:** I've only had one and I must express my position: I have found being on charitable boards a very frustrating experience. I'm a very impatient doer of things, and I find that I don't enjoy them and so I have shied away from participation on charitable boards and hospital boards which I've been invited to. I guess the only offset to that is I am a fairly significant financial contributor to a number of charities.

**Ms. Helena Jaczek:** What would you see is the difference in terms of the duties of the board of directors—on a for-profit board, you're maximizing shareholder value, presumably. That's a sort of fundamental fiduciary responsibility. When it comes to not-for-profit charitable organizations, such as Ornge, where in fact the stakeholder is the public of Ontario—essentially, it is those of us who may one day need a service, a core ser-



vice, like air ambulance—can you see some differences? Or perhaps this is what's caused your frustration on your charitable boards? What's the difference?

**Mr. Don Lowe:** I can't see an awful lot of difference. I look at the stakeholder as the major shareholder.

**Ms. Helena Jaczek:** So, in essence, you felt your role on the board of Ornge was to maximize the benefit to the people of Ontario.

**Mr. Don Lowe:** Absolutely.

**Ms. Helena Jaczek:** In that context, and to pick up a little bit on what my colleague Mr. Singh said, when you were looking at compensation for Dr. Mazza, were you looking—you know, you've made the allusion that you looked at the private sector comparability. I'm again very intrigued why you wouldn't zero in on the core business of this corporation, which was public sector.

**Mr. Don Lowe:** I'd have to go back and look at the report. I think there were some other comparators in that report other than what I call the business sector. But you must remember, it's very difficult to get information, particularly in the other sector, and there aren't many other businesses around that you could compare an air transport system to.

But my concern was that part of the compensation that we looked at—the concern we had was that we had a chief executive officer who was very capable, and he was very capable to be hired by the private sector. I mean, he had unique qualities. I don't know how many people that I've ever run into have the qualities that he has. We knew that he was being courted by other people, and so when we looked at his salary, and we looked at the bonus arrangement we put in place, we had in the back of our minds that we better be competitive, because we're going to lose him if we're not.

Secondly, his role was changing significantly. He was getting away from the operation of Ornge transport into developing other businesses. That's when we had this expert come in and say, "Now, look, here's his new responsibility. What do you think? Go out and do some comparisons and come back and give us an expert's opinion on where we should go." So it was really based on that assumption. It wasn't that he was only in the charitable section; he was moving over to the private sector. Whether you and I like it or not, that was where he was heading.

**Ms. Helena Jaczek:** I'm a physician and I also have an MBA, and I would never dream of earning the kind of salary when I have been a part of the public sector for my career.

Considering that there was this shift to the private sector in his duties, did you then recommend, perhaps to the chair of finance or as you were developing your part of the budget, as I'm sure you did, that his salary be divided in some way, so that the Ontario government would pay the part related to air ambulance and that the other part—whatever percentage of his time was spent on developing these other entities—would in fact come from some other source?

**Mr. Don Lowe:** Yes. You may recall, or maybe you didn't pick this up, that the way it was supposed to work

is that, as he shifted more and more of his time away from the original business of Ornge and into Ornge Global, the salary and the time would determine what portion each one paid for. And that was part of it.

**Ms. Helena Jaczek:** So that was a part of the planning?

**Mr. Don Lowe:** Yes, that was—

**Ms. Helena Jaczek:** You put numbers on a piece of paper?

**Mr. Don Lowe:** Well, I'm not sure we put numbers, but we certainly—that was the intent of the arrangement.

**Ms. Helena Jaczek:** But during the time—say, the last year, 2010 to whenever you had this discussion around compensation, to when you resigned in 2012—100% of the salary came from the public sector side.

**Mr. Don Lowe:** It was not supposed to. But—and I don't know how it was done—the intent that was set up was that, as he moved across into the private sector, that percentage of time would be paid for by that segment and the other would be paid by Ornge. That was the intent. I'm not sure whether it was executed or not.

**Ms. Helena Jaczek:** In terms of this performance bonus—I think some \$500,000 that you were aware of—you mentioned that there would be particular objectives and that he would be measured, his performance would be measured. Could you describe those performance measures that you looked at?

**Mr. Don Lowe:** Just let me put it this way, and, again, I don't want to go back and repeat what has been said: The bonus section of his compensation was made up by a discussion on objectives, job performance objectives. There usually were about eight, maybe nine. The way these were determined—we had an iteration at the compensation committee level with Chris, describing what was important in that coming year as part of the business plan. He would outline what he thought were the important factors for success for that particular year. They'd be chewed over, and those would be measured in terms of how important they were, because some objectives are much more important, for example, than other objectives. That process would move on to the board. The board would look at these objectives and, again, chew them over and select—they may say, "Well, look, I think this is much more important than that," so they would be moved in terms of importance.

**Ms. Helena Jaczek:** Would you remember some of those specific measures? Was he—

**Mr. Don Lowe:** I'm just trying to—they were very much tailored to the organization and what was happening at that time. You know, I think I would give you a false impression. They were not financial. These were things that had to be done, like improving the use or the efficiency of the aircraft, medical objectives in terms of—we had a very extensive measuring system, and I'm sure you know much more about this than I do.

One of the problems we had in Ornge was measuring how good we were. It's easy in a private corporation: You can measure it in terms of money and expense control and revenue improvement etc. But when you get



into measuring how good you are as a doctor, it becomes very, very dicey.

**Ms. Helena Jaczek:** Were there things like patient satisfaction surveys? Was there—

**Mr. Don Lowe:** We didn't do that, but we included that that would be included in one of the objectives.

**Ms. Helena Jaczek:** Did he receive his performance bonus from the time that it was instituted?

**Mr. Don Lowe:** Yes, he did. I think—I'm just trying to think in terms of each year. There were one or two years he didn't achieve the maximum, and I think it was less than what he could have received. There were various levels of achievement which generated the bonus. If you got 13%, or whatever the metric was, you got a bonus, but it wasn't very much. If you got 50%—again, these were all metrics that we measured the individual objective on. But to receive the 100%, which was available, he had to be very, very good and he had to exceed nearly all his objectives.

**Ms. Helena Jaczek:** Who provided the stats that you relied upon to show that he'd met these objectives?

**Mr. Don Lowe:** Most of it was statistics that we were getting on a regular basis.

**Ms. Helena Jaczek:** Were you aware that the number of transports was pretty much flatlined for a number of years?

**Mr. Don Lowe:** I was not aware of that. That was—

**Ms. Helena Jaczek:** So that wouldn't have been included in the—

**Mr. Don Lowe:** I have no idea.

**Ms. Helena Jaczek:** You don't remember conversations about the need, the number of missed calls—

**Mr. Don Lowe:** No. I'd be misleading you if I said I did. No, I don't remember. I'm sure it's available if you'd like to look, go back into the file. I mean, all this information is available, and you would see the evaluation that took place.

**Ms. Helena Jaczek:** Well, the testimony that was heard in front of this committee showed that many calls were missed because of unavailability of paramedics or aircraft. I mean, was that not something that was a sort of measureable objective for him to achieve his performance bonus?

**Mr. Don Lowe:** I'm not familiar with those statistics that you're talking about. I have a problem with them, by the way, because most of the metrics that we received at the board level showed very good performance.

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**Ms. Helena Jaczek:** You will have no doubt created a budget for the CEO's expenses on an annual basis, in other words, what he was budgeted to expend?

**Mr. Don Lowe:** I may have, but I would not be privy to that information.

**Ms. Helena Jaczek:** That strikes me as somewhat strange being chair of the compensation committee.

**Mr. Don Lowe:** We did not look at it as expenses. The expenses were handled through the finance committee.

**Ms. Helena Jaczek:** And who looked at the decision to compensate board members?

**Mr. Don Lowe:** It would be included in our survey from our professional outside compensation people.

**Ms. Helena Jaczek:** So you were involved in that. When you started in the spring of 2008, what was the remuneration you received?

**Mr. Don Lowe:** I think the remuneration I received was about \$3,000. Just to give you a background, I looked at some figures at home and my average compensation for the four and a half years that I was on the board was \$48,000.

**Ms. Helena Jaczek:** Did it vary from director to director? Because, actually, we've heard a number—

**Mr. Don Lowe:** Yes, it would, depending on the number of committees you were on and your activity with the board.

**Ms. Helena Jaczek:** So this was all documented?

**Mr. Don Lowe:** It's all documented.

**Ms. Helena Jaczek:** And it was on the advice of who? An external—

**Mr. Don Lowe:** An external compensation—

**Ms. Helena Jaczek:** Would they have had experience in the public sector?

**Mr. Don Lowe:** I think they probably would have had experience in all kinds of sectors. I mean, that was their business.

**Ms. Helena Jaczek:** I mean, you are aware that in the vast majority of agencies of the government, compensation to directors—it's either voluntary or expenses—

**Mr. Don Lowe:** By the way, my expenses for the four and a half years were \$372.

**Ms. Helena Jaczek:** But are you aware that the vast majority of agencies, boards and commissions of the Ontario government have minimal remuneration for members of the board of directors?

**Mr. Don Lowe:** I'm not familiar with what goes on in the other businesses that are part of the government.

**Ms. Helena Jaczek:** Do any of my colleagues have any further questions? Mr. McNeely.

**Mr. Phil McNeely:** My first impression of how a government organization like Ornge—all of a sudden, a decision was made that the same people are going to run the airline. That has always bothered me through all of this. Which hat are you wearing? How can you have such conflict? I'm not suggesting the board members had that same conflict, but for some of the people who were in the operations, how they had the two hats on: that we're going to provide a great service for the people of Ontario through this air ambulance; and the second hat says that we're going to use that system and the money there, including the money that they got out of the sale of the building and the money for that study—that we're going to use that money, that that's our stake in private enterprise. Yes, the government gets back 3% of gross or 15% of net, but that whole idea, were you aware of that when you were a board member, that people had really two—looking after the taxpayer and looking out for themselves? How did that come out at the board meetings?



**Mr. Don Lowe:** I'm a little bit confused here. Ornge air, which I sat on the board of, was made up of very experienced airline people. They were hired by Ornge as we got into the fixed-wing airplane business. We went out and hired people who were in the business. We hired pilots, we trained them etc. So we had built up and we continued to build up when we got into the helicopter business, where we went out and hired people who knew that business, who had flown in helicopters, who had run organizations and who could interface with the government to get the necessary certificates etc. So we had built up the expertise in Ornge air. Ornge air was quite capable of moving up and expanding. They had a lot of capability—a lot of capability. We also had a call centre, which was, I believe, state of the art, and which could be utilized depending upon the business we were in. So there was expertise there.

You must remember that the businesses we were looking at were diverse. For example, Ornge was very much in the training of paramedics business. They were very much in the consulting business. They were very much in the airline business. They really had a very talented organization that they had built up over time, and there was an opportunity there, we believed, to develop businesses.

Take consulting, for example. We had many people coming to us wanting us to help them set up an air transport system in their country. If we were going to get into that business, we really had to go out and hire people. We would use what we had, but we suddenly realized there was a business there, and that was kind of the basis of us looking and saying, "Now, how can we generate revenue to supplement Ornge?" Because the government had said, "Look"—and they'd said it nicely in terms of, "We have enough problems in the health industry, and going forward we haven't got any more money for you."

On top of that, we had done some studies that indicated that the growth of the business is going to continue. In fact, the number I have in the back of my mind is that between now and the next five years, the demand is going to grow something like 25%. Right now, Ornge can't handle that. They haven't got the paramedics to do it. They probably have enough equipment to do it, but they're going to have to get money from some other source if they're going to satisfy the demand of the people of Ontario. It's there. We can see it, and these are outside consultants who have said, "Look, what's happening in Ontario is that we have this shift of population. We have the aging of population. We have people moving farther into the north. The demand for your

service is going to continue to grow." We were trying to address that particular issue.

**Mr. Phil McNeely:** So there were good intentions at the board, but it seems that we got evidence that there wasn't a saleable product there. That's one of the things that will have to be a judgment call.

But if you put people in there without their own money—I started a business, and the main thing you did was keep your expenses low. Well, greed came into it, and you started getting loans, which—you know, the loan oft loses both itself and friend, I think is what you mentioned earlier. Then these exorbitant salaries—I mean, this was unfortunate, but it's from the wearing of two hats. Either it's your own money and you're running your own business, or you're a government employee doing your best or you're a corporate employee doing your best. But that trying to wear two hats—who's going to be charged where? I mean, that came out through the evidence right through: Who was charging that? Did that not come up at the board, what kind of fairness is in here? How do we make decisions when the top people are wearing the two hats?

**Mr. Don Lowe:** I didn't visualize it as a problem. I see it distinctly as an opportunity. When I look at the business itself and the way we structured it—and this was, as you know, the advice of very expensive lawyers and accountants who told us how we should structure this business. I didn't see the conflict.

My view of the world—and you must understand that my world is maybe a little bit different than the world of the government—is that you only pay for what you get. If you don't pay properly, you don't get what you really want, and I'm a great believer in pay for performance. I think in the case of the organization, if you wanted good, qualified people, you had to pay for them. Volunteers never run a very successful business, I'm sorry.

**Mr. Phil McNeely:** I would just to respond to that, that Mazza was getting well paid for Ornge.

**Mr. Don Lowe:** Yes, he was.

**Mr. Phil McNeely:** Yeah. And if this took off, it took off. He was the big shareholder, I would think. So that was the future, but he went in for the payments a little bit early.

I think that's sufficient. I've no other questions.

**The Chair (Mr. Norm Miller):** I think we're pretty much out of time. Thank you very much for coming before the committee this afternoon.

**Mr. Don Lowe:** Thank you. A pleasure being with you. Good luck.

**The Chair (Mr. Norm Miller):** We are adjourned.

*The committee adjourned at 1500.*





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ISSN 1180-4327

## Legislative Assembly of Ontario

Second Session, 40<sup>th</sup> Parliament

## Assemblée législative de l'Ontario

Deuxième session, 40<sup>e</sup> législature

# Official Report of Debates (Hansard)

Wednesday 1 May 2013

# Journal des débats (Hansard)

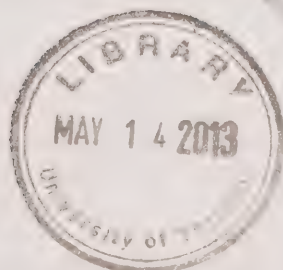
Mercredi 1<sup>er</sup> mai 2013

### Standing Committee on Public Accounts

Special report, Auditor General:  
Ornge Air Ambulance and  
Related Services

### Comité permanent des comptes publics

Rapport spécial, vérificateur  
général : Services d'ambulance  
aérienne et services connexes  
d'Ornge



Chair: Norm Miller  
Clerk: William Short

Président : Norm Miller  
Greffier : William Short



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Toronto ON M7A 1A2  
Telephone 416-325-7400; fax 416-325-7430  
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation  
Salle 500, aile ouest, Édifice du Parlement  
111, rue Wellesley ouest, Queen's Park  
Toronto ON M7A 1A2  
Téléphone, 416-325-7400; télécopieur, 416-325-7430  
Publié par l'Assemblée législative de l'Ontario

## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES  
COMPTES PUBLICS

Wednesday 1 May 2013

Mercredi 1<sup>er</sup> mai 2013

*The committee met at 1230 in room 151, following a closed session.*

SPECIAL REPORT, AUDITOR GENERAL:  
ORNGE AIR AMBULANCE  
AND RELATED SERVICES

**The Chair (Mr. Norm Miller):** Okay, I'll call the committee to order. There are a couple of things to deal with before our witness for the afternoon comes before the committee.

First of all, there was discussion this morning with regard to confidential documents, and it was decided by the committee that those confidential documents will remain confidential unless committee members, at some future time, decide that part of it should not remain confidential, at which time they will bring it before the committee.

It also was agreed that there will be a letter to House leaders with regard to the CCPAC meeting August 24 to 27 in Regina, so the Clerk will be writing to the House leaders with regard to that.

## MR. RAINER BELTZNER

**The Chair (Mr. Norm Miller):** I would like to call our witness for this afternoon, Mr. Rainer Beltzner, to come before the committee, please. We will swear an oath or an affirmation.

**Mr. Rainer Beltzner:** Yes. Once again, I believe I've already—

**The Chair (Mr. Norm Miller):** Yes, I believe you have. You've been here a couple of times.

**The Clerk of the Committee (Mr. William Short):** Because of prorogation, we'll swear a new oath.

**The Chair (Mr. Norm Miller):** Okay, we will swear a new oath.

**The Clerk of the Committee (Mr. William Short):** The Bible?

**Mr. Rainer Beltzner:** Sure.

**The Clerk of the Committee (Mr. William Short):** Mr. Beltzner, do you solemnly swear that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth, so help you God?

**Mr. Rainer Beltzner:** I do.

**The Clerk of the Committee (Mr. William Short):** Thank you.

**The Chair (Mr. Norm Miller):** Very well. I believe you have an opening statement. You have up to 20 minutes to do the opening statement, and then we'll go to questioning.

**Mr. Rainer Beltzner:** Thank you for the opportunity to address this committee for a third time. In the next 20 minutes, I want to place some matters into the official record and offer some suggestions reflecting on the Ornge experience.

As a statistician, information technologist, chartered accountant and management consultant, my entire professional focus has been on providing reliable information and advice to clients. Many of these were the Ontario ministries, municipalities, colleges, universities, school boards, hospitals, related professional associations and charities.

Much of my professional work has been focused on establishing or re-establishing the trust of Ontarians in government-managed or -regulated products or services. Regardless of the type of government-related work I was involved in—which varied considerably—I've been fortunate to have gained and enjoyed the trust of the Ontario government and its publicly funded entities over the last 30 or more years.

It has been more than a full year since I first appeared at this committee. Since then, I've closely followed the reports of the media, listened to the many statements made in the Legislature, reviewed the testimony of most witnesses to this committee, and I have read the proposed Bill 11 and closely followed the debate surrounding the bill during the first and second reading.

This past year has also allowed me to become aware of information that was evidently known to Ornge management or the Ministry of Health but was never made available to the former Ornge board.

Based on comments made in and outside of this committee room, I recognize that many of you may have already made up your minds about the adequacy of oversight provided by the Ornge board. Regardless, I think it's important for the committee members and the public to appreciate the following when making up their minds on this issue.

The precise role performed by a board of directors varies, based on the corporation. However, there are key principles surrounding the roles of a board that generally apply to all boards. The following is taken from an authoritative text on the responsibilities of directors, titled *Directors' Duties in Canada*:



"Directors are charged by statute with the fundamental obligation to supervise the management of the business and affairs of the corporation... Directors are required to assume responsibility for overall stewardship of the corporation, rather than the daily operations of the corporation.

"[D]irectors should not be expected to engage in a detailed review of management's day-to-day activities. Especially with respect to ... large corporations, it is not realistic to expect the board to be involved in anything other than the most significant decisions and their statutory obligations. Generally, it will be sufficient for the board to make sure adequate and appropriate systems are in place to ensure the timely and effective monitoring and review of operations matters."

On the issue of a board's oversight obligations, in particular with respect to situations where it appears that members of management intentionally concealed information or misled the board, I would like to quote from an additional text on the matter, Carol Hansell's *Directors and Officers in Canada: Law and Practice*: "[S]ubject to the discharge of the appropriate oversight function following the delegation of certain powers to management and in the absence of grounds for suspicion, directors are justified in trusting officers to perform their duties honestly."

With that in mind, I wish to reiterate what you have heard in sworn testimony before this committee, which is that the former board of Ornge took all reasonable measures that could be expected of it before reaching its decisions. The board was exceptionally well qualified, comprised of experienced professionals, many with specific credentials as certified corporate directors in addition to various other professional designations.

The decisions of the board were taken only after considering the relevant data and, in many instances, formal business cases; receiving input from independent third-party advisers whenever appropriate; and much debate and discussion. In hindsight, one may now point to suspicious activity at Ornge that could have prompted further board inquiry, but there was nothing suspicious about those matters at the time.

A good example is the issue surrounding the apparently unnecessary payments to Agusta for the helicopter weight upgrades and the entering into of the marketing services agreements between Ornge and Agusta. As was previously testified to before this committee, there's nothing unusual about an agreement for joint marketing services between a supplier of highly specialized and expensive equipment and the purchaser with a global reputation. There's also nothing unusual about an agreement to pay additional funds for necessary weight upgrades and helicopter spare parts. There's nothing inherently unusual or suspicious about either of these that should have instigated the board to delve deeper and circumvent management to obtain additional information. It is only with the subsequently disclosed information that the weight upgrade payments may have been unnecessary that these transactions raise suspicion.

The former board, in fact, took extensive measures to ensure proper oversight of management's activities and the proper stewardship of the company. Through our various board committees, we sought to delve even deeper into strategic, operational and financial matters, once again making use of exhaustive management reports provided to the board, as well as presentations from management, the independent medical advisory committee and qualified external advisers.

Regarding the board's reliance on the advice and assurances provided to it on various matters from both its legal and financial advisers, I would again like to quote from Carol Hansell's authoritative text: "Directors must also rely on outside advisers to provide them with both information and analysis on which to base their decisions." This is precisely what we did.

Evidence of the board's extensive work and efforts to obtain independent professional advice is contained in the exhaustive board and committee binders, which contain detailed minutes, business cases, legal memoranda, data reports, third party reports, budgets and financial statements. These offer a documented record of the actions of the board in reaching all significant decisions.

There has been considerable mention and criticism, both in the media and in these committee hearings, of the former board's apparent lack of focus on patient care. This allegation has no validity.

On the very first days of the divestment of operations to Ornge, the absolutely critical communications dispatch centre, developed and managed directly by the ministry for several years, completely collapsed. This was, in my view, a direct result of the prior and total neglect of critical communications and related technology infrastructure.

As a certified information systems auditor for over 30 years, this facility, that was developed and managed by the ministry, was one of the worst examples I have ever witnessed and should have been condemned. The so-called valuable assets transferred from the ministry to Ornge consisted of failed software and hardware, undocumented communications networks, and no backup or emergency recovery capability at all, as well as an embarrassment of a physical facility. The reporting of this critical facility that exposed Ontarians to very high risk was never included in a prior Auditor General's report or, to my knowledge, in a ministry internal audit.

Ornge very quickly and competently established, designed, built and implemented a world-class, fully-backed-up and recoverable communications centre to support the needs of Ontario patients for years to come.

Much criticism has been leveled at us for purchasing new helicopters. The ministry had entered into a contract many years prior with Canadian Helicopters Ltd., a for-profit requiring significant annual returns for its shareholders. This contract, which was largely based on payments for flow-through costs, was renewed year after year. As far as I could see, the required performance criteria were met, but at great expense to the people of Ontario. Because of the flow-through cost provisions,



there was little incentive by the provider to aggressively manage costs.

What made this ministry arrangement even more troublesome was the complete absence of a fleet replacement strategy. The contracted Sikorsky helicopter fleet, albeit a solid performer given the exhaustive and expensive maintenance, was approaching an average 30-year age. We know today that some of the hulls have experienced rust, and that spare parts are no longer supported, and difficult to find. We were also aware that the helicopters had performance limitations that could be improved with a more modern fleet.

Most troublesome was the record of equipment problems during flight, often requiring the helicopter to return to base to be placed out of service and a backup used. The board asked for and received comprehensive records of these equipment failures at its meetings.

Contract arrangements and mechanical reliability issues were found to be similar for the dedicated fixed-wing aircraft also contracted by the ministry.

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Given the ever-increasing fleet operating cost, the obvious but previously ignored need to implement a fleet replacement strategy, the increasing rate of operational failure, and the growing critical needs of Ontario patients, Ornge management, with the full support of the board, examined alternatives to both helicopters as well as fixed-wing aircraft, and to establishing provider options.

Personally, I found it difficult to comprehend how the ministry had placed the critical transport needs of Ontario patients, including many of those in the north, in such a precarious situation.

With full ministry knowledge, and after a full analysis of financing options, including discussions with the Ontario Financing Authority, Ornge secured very competitive funding and acquired and implemented a new rotor and fixed-wing fleet. This was all done without any significant disruption to patient service. Despite the concerns expressed publicly, both types of aircraft are exceptionally safe to fly in.

Yes, the medical interior of the new helicopter—as designed by a team of experienced paramedics, transport physicians and an experienced medical interior manufacturer—was not perfect. However, the problem was identified and a work-around as well as a longer-term solution was being worked on and is now in place.

Despite the criticisms voiced at last week's committee hearings, the Ontario government cannot be viewed as on the hook for the debt of Ornge Issuer Trust. Rather, the government now has several never-before-available options for the future. It's important to remember that, prior to Ornge's purchase of the capital assets fundamental to its mission to provide medical transport services, there was no realistic option for the emergency response needs except for CHL and 30-year-old helicopters.

Operational efficiency and safety concerns also led us to renew and standardize the fixed-wing fleet with

modern Pilatus aircraft, once again providing more future delivery options for the ministry.

To emphasize, our absolute and focused concern was for the patients of Ontario—that they would have safe, reliable air transport well into the future.

The committee has also heard of the shortages of critical care and advanced care paramedics. This is not a new problem. From the earliest days, Ornge focused on the development of enhanced training programs for transport paramedics at the advanced and critical levels. Significant resources and investments were made in training facilities and staff, including the portable simulation trailer providing training access to paramedics throughout the province.

The medical advisory committee of the board proactively monitored the recertification of paramedics, including their mandatory continuing education programs. The board also implemented a no-tolerance policy for non-compliance and demanded frequent updates on paramedic compliance. Patient safety was always of prime concern.

The board properly relied on the independence of the medical advisory committee to very closely monitor matters of patient care and safety. The board also proactively encouraged the medical advisory committee to look into and report on Ornge's medical actions and patient outcomes. That was always a very important part of our committee meetings.

In his interim 2008 report on air ambulance, the Auditor General was critical about the waste of money for an excessive number of helicopter liftoffs in response to emergency calls, which were then cancelled in flight, often just minutes later. At thousands of dollars for each cancelled flight, the Auditor General encouraged change.

Once critical helicopter and fixed-wing transition issues allowed time to focus on this apparent waste of money, Ornge proposed a policy change that received the approval of the medical advisory committee as well as the ministry.

However, the board instructed the medical advisory committee to monitor patient impact and report back to the board on results, as we had to have the comfort and, to the extent possible, the proof that Ontario patients were not being adversely impacted.

The report of the medical advisory committee is included in the minutes of the operations committee, and at that time identified no adverse impact. The MAC was asked by the board to continue the study.

Finally, the MAC always included a report to the board on adverse events and their review, investigations and results. There were never any unusual trends or repetitive events that came to our attention. Simply put, when there was a potential for patient impact, the board was always concerned and always followed up.

From the outset, the goals of Ornge were clear. First and foremost, our goal was to improve our response and service capability to the patients in Ontario. This included all of the efforts I previously spoke of, as well as the development, management and execution of the emer-



gency medical assistance team, capable of deploying a significant, fully staffed and equipped field hospital anywhere in Ontario in response to a disaster, including potentially toxic emergency situations.

Housed in several 53-foot trailers, this EMAT equipment and team was successfully deployed several times, coincidentally to Sudbury, to triage hundreds of young and old evacuees from a northern First Nations community; and then, years later, to assist the evacuation of patients from an infrastructure failure at a large Sudbury hospital.

To suggest that the board of Ornge was not focused on patient care has, in my view, no basis in fact.

Our second goal was operational stability. As I referred to earlier, there were many surprises left over from the ministry-managed days, as well as a need to build from the ground up a complete organization and infrastructure, all within a very short time. This effort included many factors of both short- and long-term planning, with much scenario discussion and every effort to identify, monitor and minimize both patient and operational risk.

Yes, the company did build and deploy a state-of-the-art, fully-backed-up and recoverable communications and province-wide emergency response centre to replace a failed system.

Yes, the company did develop a business infrastructure and implemented financial and operational policies and procedures that did not exist previously.

Yes, the company did comprehensively replace the rotor and fixed-wing fleet with modern, safe, operationally efficient and state-of-the-art aircraft.

Yes, the company did replace many long-standing cost-prohibitive service delivery contracts with more efficient and effective in-house capability.

Yes, we did hire and train many new paramedics, pilots, operational and administrative staff.

And yes, the board did approve the compensation of Dr. Mazza, whose expertise and guidance was important to the strategy and transition of transport medicine advancement in Ontario.

In all of these efforts, we strived for excellence, recognizing full well that perfection was not achievable immediately in all cases.

Our third and final goal was financial stability for the future. This goal was initially focused on gaining an understanding of the costs inherited from the ministry and examining the many areas for potential improvements to efficiency and effectiveness of day-to-day operations. Operational efficiency gains in the early years allowed us to reallocate scarce dollars to the substantial rebuilding efforts I noted earlier. However, from the very beginning, the targets of donor funding and for-profit monies were clearly in our sights. Our strategy, progress and actions were always reported and transparent to government. This goal and our progress was not a secret, as some are now claiming.

From inception, the organization has been audited—it seems almost continuously—throughout the years. The

government has been the initiator of most of these. As a board, we appreciated and openly encouraged and participated wherever possible in these audits, as they provided an additional view and comfort into the performance of the organization. The MNP audit raised a number of performance agreement compliance issues that were appropriately resolved and subsequently monitored by the board through specific management reporting.

However, the board was concerned about the delay in the ministry's reporting of external concerns. In a 2008 letter to Ruth Hawkins, of the Ministry of Health and Long-Term Care, the board specifically requested that the ministry advise it on a timely basis of any concerns it became aware of. This request was seemingly not complied with. It was not until early 2012 that I and some of the other board members learned of the existence of a much earlier correspondence to the ministry, detailing a series of concerns about the air operations of Ornge, which was never previously reported to the Ornge board.

In addition, in testimony before the committee by the Deputy Minister of Health and others, it was stated that since 2008, the government had numerous concerns, including concerns related to the proposed creation and structure of Ornge Global. Notwithstanding these apparent concerns, and despite the considerable efforts by the board of Ornge in early 2011 to make certain that the government was fully aware of this initiative, there was never a single concern communicated by government to the board.

Much of what transpired after the meetings with government and into 2011 was based on what we as a board had a right to believe was the support of government. It is inconceivable to me that the board would have approved a continuation of the Global initiative in its proposed form had the board received any expression of concern. The outstanding question to me is why these concerns and many others were not immediately disclosed and reported to the Ornge board by this government.

The committee needs to establish whether this failure to communicate apparent serious concerns to the board of Ornge and keep the board of Ornge in the dark was simply an oversight or a calculated decision by government. I believe very strongly that our board, and every board of an Ontario publicly funded entity, has an absolute right to expect timely, honest and open communication of concerns from its principal funder, the government. I would encourage every such board to require, on an annual basis, written confirmation from government of concerns or the absence of such. Failure to receive this confirmation should serve as a strong signal to the relevant directors to resign from the board.

I would like to conclude with some comments focused on the future.

The Public Sector Salary Disclosure Act: Ornge was never in a legal position to compel the employees of its subsidiary companies to disclose their compensation, including taxable benefits. What was needed was either the approval of all employees or the inclusion of Ornge subsidiaries under the disclosure act, in order to protect



the board and the organization from possible legal action. Consideration should be given to including under the disclosure act all subsidiaries, whether profit or not for profit, of public sector entities otherwise included in the act.

During testimony to the committee, we have also heard of unwarranted payments made to the personal corporation of an employee by both Ornge as well as at least one other public sector entity. Although difficult, consideration should be given to a requirement to report all forms of payments to an individual, whether direct or indirect.

With respect to Bill 11, the Ambulance Amendment Act, section 7.4 of the proposed act refers to the activities of a special investigator appointed and directed by the minister, with powers to investigate everything. The report of the investigator goes to the minister, who can then provide it to the chair of the board, who can also be appointed by the minister. Whether or not the report is to be made public is unclear.

What is clear, though, is that the scope of any investigation, the appointed investigator as well as the resultant report is not independent of the minister. In my view, such investigations should be investigated, conducted and reported independently of the minister and of government. I agree with others that the Ontario Ombudsman could serve this purpose.

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Section 7.7 of the proposed act refers to whistle-blowing protection for employees. In reality, the experience of many whistle-blowers has not been positive, despite, in some cases, existing but still weak legislation designed to protect them. While this act may serve a political purpose, I don't believe it will serve to fully protect future whistle-blowers from the possible negative actions of employers, fellow employees, media or the public. A whistle-blower will always face risk, despite the very best intentions. I believe the proposed act gives whistle-blowers nothing more than a false sense of protection. Much stronger measures are needed.

The company was incorporated as a fully independent not-for-profit in 2004. A year later, it entered into a performance agreement with the province of Ontario. This agreement was authored by the ministry and did not include any rights of the province over the independence of the company. I can only conclude this was either done in error or consciously and for a reason. Ornge was not a government agency, as some have called it at this committee.

The agreement did include comprehensive rights to audit, examine and investigate both financial and operational activities. There were a number of concerns about the performance agreement raised by the MNP audit and internally within government that were clearly the responsibility of the ministry to resolve. As a board of Ornge, we had no right and no obligation to direct or even encourage the ministry to resolve these issues. The province always had the right to renegotiate the performance agreement at any time.

I acknowledge the many issues and concerns that have been brought to the surface over the past two years. The most serious of these await the reports from the OPP as well as the coroner of the province.

As a board, we took our responsibilities very seriously. In reaching our many decisions, we sought and received information from management, we sought out, consulted with and received independent advice, and we discussed and debated all major issues. We would then reach our decisions based on our best judgment, in light of the information and advice we obtained.

The testimony to date has indicated that some of the information provided to the board and on which the board, as did the ministry, had a right to rely may have been incomplete or incorrect. Whether the provision of inaccurate information to the board was done with intent or as a result of incompetence has yet to be determined.

On a personal note, I'd like to acknowledge and thank the efforts of the many honest and hard-working members of the Ornge team both past and present.

Thank you for your attention and time. I'd be pleased to answer your questions.

**The Chair (Mr. Norm Miller):** Thank you for that. We'll move to the opposition: Mr. Klees. We will go with 20-minute rotations and then see how much time is left.

**Mr. Frank Klees:** Thank you, Chair.

We've now heard from four of your fellow directors. They were obviously well briefed in advance of their appearance before this committee. In listening to your prepared statement, obviously the messaging is the same: Essentially, the decisions made by the board were based on information available to the board at the time. Board members were obviously oblivious to the fact that patient care was being compromised. In fact, you insist again that that didn't happen, notwithstanding the evidence to the contrary. The fact that public funds were not used to subsidize for-profit organizations—there were no red flags that you could see. And not one director has any regrets. So compliments to your counsel for his guidance.

I'd like to ask you this: When you met with your fellow directors in preparation for appearance before this committee, did you yourself provide them some counselling?

**Mr. Rainer Beltzner:** In terms of?

**Mr. Frank Klees:** What should or should not be said.

**Mr. Rainer Beltzner:** The counselling that I provided—they asked me questions about what it was like to appear in front of this committee, and I told them it was a challenging and interesting exercise. I specifically, I believe, referred a couple of times to the confused line of questioning that may come about. That's the degree of counsel I gave them.

**Mr. Frank Klees:** Were they at any point cautioned, either by yourself or counsel, against admitting any failure of oversight?

**Mr. Rainer Beltzner:** Absolutely not. We did not have a single discussion regarding admission, non-admission or anything of that nature. There was no dis-



cussion between myself or any of my board members on that point.

**Mr. Frank Klees:** We learned from previous testimony that the board of directors was essentially hand-picked by you. Is that true?

**Mr. Rainer Beltzner:** No, I don't think that's completely truthful. I don't know who picked many of the initial board of directors back in the days of Ontario Air Ambulance Services Co. I believe, if I'm correct, Dr. Lester testified that he was asked to sit on the board, as were a number of people from Sunnybrook and Women's. I don't know how the other people got onto the board when I got onto the board, but I was asked to come onto the board by Dr. Mazza. At the time, I believe that my name was also reviewed by people at Sunnybrook and Women's and within the ministry to ascertain whether I was a reasonable person to come onto the board.

Subsequent to that, as was testified by Mr. Pickford and Bethann Colle, I did in fact, after some prior discussions with our compensation and nominations committee about the fact that there were a number of people in the ICD program, who I had the opportunity to be with for a period of 16 days, over, I guess, a longer period, going through business cases, presentations, analyses, tax issues and many other things—I had the opportunity to come in contact with some very experienced people.

**Mr. Frank Klees:** My question is, did you—

**Mr. Rainer Beltzner:** Just allow me to finish, please. I mentioned this to Dr. Mazza and to Luis Navas, who was on the comp and nominations committee at the time. I said, "Look, we should take the opportunity to look for board members who fill the need," as we saw it, "for particular expertise and experience." In that regard, I approached a number of people during a course of time, after I satisfied myself that they were pretty good, talking about Ornge. Some of them agreed to talk to Dr. Mazza and consider coming onto the board.

**Mr. Frank Klees:** Here's the reason why it's a little frustrating for us on this committee. We know what you're doing. I'm asking very specific questions. You're spending a good deal of our time here expounding far beyond anything that I'm interested in.

**Mr. Rainer Beltzner:** Ask a specific question. I'll be happy to answer.

**Mr. Frank Klees:** It causes me to question your intent. I would just ask you, because we have limited time, if you could keep your responses specific to the questions I'm asking.

When you met Mr. Pickford and Ms. Colle at the institute, were you teaching a class there or were you a student?

**Mr. Rainer Beltzner:** No, I was a student. I was taking the class.

**Mr. Frank Klees:** Okay. Did that class include any reference to directors' fiduciary duties or duty of loyalty and duty of care?

**Mr. Rainer Beltzner:** It did.

**Mr. Frank Klees:** When you became the chair, did you ever discuss those responsibilities with members of your board?

**Mr. Rainer Beltzner:** Considering that the majority of members of the board at the time were ICD graduates, we certainly conducted ourselves consistently with those responsibilities, yes.

**Mr. Frank Klees:** The Industry Canada primer for directors of not-for-profit corporations states that duty of care includes a general obligation to "among other things, oversee all aspects of operation and maintain a supervisory role over tasks which have been delegated."

I know that in your opening statement, you're asserting that your responsibilities were at a higher level. We've now heard from more than 50 witnesses here who would differ with you in terms of what was going on at the front line in terms of the patient care that was being delivered. Patient care was compromised. That was as a result, as we heard here, of down-staffing, which was a policy of Ornge's that was implemented while you were chair, while your fellow directors were responsible for that operational oversight. We had testimony here that numerous patients were put at risk because the new helicopters to which you refer, that you oversaw the purchase of, had interiors that prevented paramedics from even doing the very basic life-saving procedure.

1300

We heard testimony here about a paramedic plant in a location in London being shut down because there weren't sufficient funds. All of this going on, Mr. Beltzner, while you, as chair, and your fellow directors were putting the stamp and approval on an expansion of a scheme that was brought to you by Mr. Mazza. Core services here that you were mandated to oversee, of patient care, were being shortchanged while you were experimenting with some scheme.

How does that fit into the definition of fiduciary responsibility? How can you justify telling us here today that you carried out your duty of care as a director, knowing that patient care was put at risk? I'd be interested in that; I'm sure the many patients and their families who were affected by what was going on at Ornge over that time would like to know that as well.

**Mr. Rainer Beltzner:** I'm going to try and interpret your question, which was rather lengthy. First of all, we did not know that patient care was at risk. I've testified very clearly that we had a medical advisory committee, as does every hospital. We looked to the medical advisory committee, which is made up of very competent physicians, to provide the board with insight into the actions on patients.

We, as a board, were very careful to always ask the medical advisory committee to report on any and all adverse events, and any time, as I testified, where there was a change in policy that would seem to potentially affect patients in Ontario, we asked the medical advisory committee to specifically study this so that we could be assured, as a board, that in fact patients in Ontario were looked after.



I would disagree with your statement that we knew that patients were not being looked after.

**Mr. Frank Klees:** So your answer, of course, is that you relied on your medical—

**Mr. Rainer Beltzner:** We had an absolute right to rely on a medical advisory committee, as does the board of a hospital.

**Mr. Frank Klees:** And you took no other outside information into consideration?

**Mr. Rainer Beltzner:** That is not correct either. The outside information that we took were the reports on patient transports that came from our chief operating officer, and we relied on the information, as we had a right to rely on that information, from him. We also received information from our patient survey individual, who conducted patient surveys and reported back to the board. Nothing came up in any of those reports that would suggest that there was any detriment to patients in Ontario. In fact, many of the actions that we took over the course, as I testified, were there to specifically improve patient service and reliability.

**Mr. Frank Klees:** So you were not aware of the investigations that were ongoing, some 13 in 2007, 10 in 2008, 19 in 2009, 14 in 2010, 28 in 2011 and 35 in 2012, 26 of those involving a patient who died? You're telling me that a chair of the board and the board of directors had no idea that these investigations were going on? Twenty-four of those had been referred to the coroner. You're telling me that as a director and as a chair, you didn't know anything about this.

**Mr. Rainer Beltzner:** I'm going to repeat what my testimony was, and that was that we relied on the MAC to report to us any situation where there was an adverse impact on a patient. None of those reports included, to the best of my knowledge, and it's documented in my files, any reference to investigations by the coroner. We certainly did not communicate with the coroner independently of the MAC to ask that question.

**Mr. Frank Klees:** Can I ask you how involved you were in decisions at Ornge relating to the expansion and essentially a lot of diversion of Chris Mazza's focus on the expansion scheme that your board approved?

**Mr. Rainer Beltzner:** At the appropriate time, I would say I was quite extensively involved, particularly in the fall of 2010, after we had stabilized the transition of rotor and fixed-wing issues and so on; and my active involvement was as a participant on the special committee to the board, reviewing the transaction or proposed transaction. And then, of course, I was also quite actively involved in January 2011, where, with the help of legal counsel at the time, I put together a fairly lengthy and detailed letter, which I wanted to make sure was communicated to the government, to ensure that government was fully aware of each and every action that we were proposing to take.

Then, of course, I was also intimately involved in the three presentations to the three ministries, attended by probably 30 or 40 different government officials. None of those individuals or anyone else, quite frankly, ever said

one negative thing about our proposed action. In fact, if I recall correctly, Saäd Rafi, who was Deputy Minister of Health, asked me directly whether or not the ministry could participate as an investor in Global.

**Mr. Frank Klees:** So it would be fair to say that as chair of the board, you were one of the strongest advocates of Chris Mazza's expansion proposals. Is that fair?

**Mr. Rainer Beltzner:** I was one of the strongest advocates of doing it properly—taking it through independent committee, taking it through the right process, protecting the assets of Ontario and Ornge and ensuring that patient care was not compromised, absolutely.

**Mr. Frank Klees:** Isn't that a rather odd role for the chair of a board of directors to play?

**Mr. Rainer Beltzner:** I don't think so.

**Mr. Frank Klees:** One would think that the board is there not as a marketing arm of the CEO, but rather as an oversight responsibility. Would you not agree?

**Mr. Rainer Beltzner:** I don't see that we were a marketing arm of the CEO. I don't agree with that.

**Mr. Frank Klees:** Well, your name is at the bottom of the letter that makes the presentation to the ministry.

**Mr. Rainer Beltzner:** I don't think the presentation to the ministry was a marketing presentation. I don't understand where you get that.

**Mr. Frank Klees:** Well, all you have to do is read it.

**Mr. Rainer Beltzner:** That's your opinion; it's not mine.

**Mr. Frank Klees:** It certainly is not just an objective; it's a sales document—

**Mr. Rainer Beltzner:** It's a black-and-white objective statement of facts and business plans. That's all it is.

**Mr. Frank Klees:** Did it take the board of directors to approve that scheme?

**Mr. Rainer Beltzner:** Yes.

**Mr. Frank Klees:** And given the fact that a good proportion of that board was directly appointed by you, to what degree—

**Mr. Rainer Beltzner:** I disagree with that statement. You keep on coming up with the statement that, you know, a goodly portion of the board was directly appointed by me. The board appointed new directors: Let's be clear about that.

**Mr. Frank Klees:** How many people were on the board?

**Mr. Rainer Beltzner:** Two people on the board were people who I identified as potential board members.

**Mr. Frank Klees:** And Dr. Mazza, did he vote?

**Mr. Rainer Beltzner:** Dr. Mazza had no vote.

**Mr. Frank Klees:** Why did he not have a vote?

**Mr. Rainer Beltzner:** He was a non-voting director on the board.

**Mr. Frank Klees:** Was he getting paid?

**Mr. Rainer Beltzner:** No. Was Dr. Mazza getting paid for being on the board?

**Mr. Frank Klees:** Yes.

**Mr. Rainer Beltzner:** No.

**Mr. Frank Klees:** Do you want to think about that again?



**Mr. Rainer Beltzner:** I don't believe I need to think about that again. To the best of my knowledge, Dr. Mazza was not being paid to be on the board.

**Mr. Frank Klees:** Well, I have here invoices from Dr. Chris Mazza to Ornge. I have numerous invoices here.

**Mr. Rainer Beltzner:** I'm sure you do.

**Mr. Frank Klees:** I'll just read them to you: board teleconference meeting, \$250; governance committee meeting, \$500; operations meeting, \$750; finance meeting, \$500. He was getting paid.

**Mr. Rainer Beltzner:** Well, you know, one of the things that doesn't surprise me, Mr. Klees, as has been evidenced through testimony already, is that Dr. Mazza was receiving compensations or payments from all sorts of areas. That one is another one that I can assure you I did not know of, the board did not know of. I suggest that perhaps you might ask the chief financial officer as to why the chief financial officer approved that.

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**Mr. Frank Klees:** Well, the signature on here is Ms. Renzella, so you're suggesting that Ms. Renzella was rogue on this?

**Mr. Rainer Beltzner:** All I can suggest to you is that it appears that many of the payments that did not receive the approval of the board appear to have received the approval or signature of Ms. Renzella. I don't know what that means, and I believe the OPP is the one that should be investigating that point. I have no other information with respect to that.

**The Chair (Mr. Norm Miller):** You have two minutes, Mr. Klees.

**Mr. Frank Klees:** I'll leave it at that, and come back.

**The Chair (Mr. Norm Miller):** Very well. We'll move to the NDP. Ms. Gélinas?

**M<sup>me</sup> France Gélinas:** Thank you for coming again. Actually, before I start with my prepared questions, I have questions about the documents that you read into the records. My first one has to do with—I'm on page 3 of the document that you read, if you have the same page as us. You're basically talking about your responsibility as a board member and, in your case, as a board chair. I'm on the second paragraph, where you start and say: "Through our various board committees, we sought to delve even deeper into strategic, operational and financial matters—once again, making use of exhaustive management reports provided to the board, as well as presentations from management..." Do you remember telling us that?

**Mr. Rainer Beltzner:** Yes.

**M<sup>me</sup> France Gélinas:** The strategic plan that was presented, the way I call it, the 11-page document that was signed by you and presented by Mr. Apps and you to the people of the ministry—this is something that your board and yourself knew inside and out. You knew that you were going to create this new corporate structure. You had a plan. You agreed with it.

**Mr. Rainer Beltzner:** Yes.

**M<sup>me</sup> France Gélinas:** And you communicated that information to the people at the Ministry of Health.

**Mr. Rainer Beltzner:** Absolutely, black-and-white and verbally.

**M<sup>me</sup> France Gélinas:** Would you say that the full content of the strategic plan, as contained in that memo, was communicated when you had a chance to meet with the people at the Ministry of Health?

**Mr. Rainer Beltzner:** Yes. That's documented by the presentation deck and PowerPoint that accompanied the meetings.

**M<sup>me</sup> France Gélinas:** Okay. And you had time in your meeting to go through the deck and to go through all of the different elements of what I would call the presentation of your new strategic plan? What would you call it?

**Mr. Rainer Beltzner:** First of all, with respect to the question: "Did we have time?"—yes, I was very pleased with the amount of time provided by all of the ministries. There was no rushing people out the door. We had plenty of time to present. There was plenty of time on discussion and clarification. That's what happened.

**M<sup>me</sup> France Gélinas:** Just so that I know how to refer to it, how would you refer to that letter?

**Mr. Rainer Beltzner:** I would refer to that letter as our proposed strategic plan for the company.

**M<sup>me</sup> France Gélinas:** That's how I saw it too, so I'll call it your proposed strategic plan. So you felt that you had plenty of time to talk to the people and do the full presentation. Did any of the questions that were posed to you lead you to believe that they weren't comfortable?

**Mr. Rainer Beltzner:** There were certainly questions posed which related to clarifying the relationship between one entity and another—so, clarifying questions—but there was not a single question that led me to believe or, quite frankly, my fellow participants who came with me—to suggest that there was any concern whatsoever by the people asking the questions.

**Mr. Jagmeet Singh:** And objectively, no one sent a letter or no one called or sent an email saying, "We don't like your plan. We have a problem with it. Don't go ahead with it," or pause?

**Mr. Rainer Beltzner:** Thank you for that question. I can tell you that I was not very pleased to hear subsequently as testimony to this committee from the deputy minister, for example, that he had concerns.

In the subsequent weeks following the presentation at which the deputy minister was the prime individual, and before we, as a board, gave the final approval to go forward, there was nothing that ever came back, either verbal, written, email, voicemail, pigeons or any other form of communication. I don't mean to be light on this point, but as you can well imagine, I'm more than a little irritated by this fact.

**Mr. Jagmeet Singh:** No, it's absolutely important. That's why I want to say, objectively, if there were any concerns raised, if you received any correspondence whatsoever from the—

**Mr. Rainer Beltzner:** None whatsoever.

**Mr. Jagmeet Singh:** Okay.



**M<sup>me</sup> France Gélinas:** Okay. How about I turn it around and say, what made you confident that you had their support?

**Mr. Rainer Beltzner:** My confidence—and I think the confidence of my team—came about from not only the many years of prior seeming support from government, but also by the fact that the individuals who were in the room appeared to understand what we were doing. They had some good questions to clarify things and certainly appeared to be very positive about it. So, after the first meeting, that was the message that we took.

We then had a second meeting with another ministry that was focused from a little bit different aspect—the finance ministry, for example—and they had some very good clarifying questions, but nothing in the least bit raising a concern, and then the final meeting once again.

So, over a period of many weeks, I believe there was more than ample opportunity for the government, through whichever ministry or through whichever ADM or DM, to communicate to either someone in Ornge or to the board, preferably—because it was the board doing the presentation—about any concern, and there was nothing.

**M<sup>me</sup> France Gélinas:** Could it be that those people communicated with the operational side of Ornge and that never came back to you?

**Mr. Rainer Beltzner:** There's nothing that I have heard since then that suggests in any way that there was any communication at all with anybody at Ornge.

**M<sup>me</sup> France Gélinas:** I fully agree with you. I have asked this question of 50 witnesses and got the exact same answer.

**Mr. Rainer Beltzner:** I know you have. I've read the testimony, and I have said in my opening statement, I fail to understand, and I wish this committee would investigate the point of why there was no communication—whether that was by accident, deliberate or whatever. The government kept us in the dark. I will make that statement time and time again.

**M<sup>me</sup> France Gélinas:** Can you, in your mind, with your experience and whatever else you can draw on, put together a scenario that could explain how, on one side, we have a deputy minister who says they were concerned, they tried to communicate with you, there were roadblocks and they couldn't; and then the other 50 witnesses have said the exactly opposite? Can you imagine a scenario where what you're saying and what the deputy and the minister are saying could be part of the same reality?

**Mr. Rainer Beltzner:** Ms. Gélinas, I've had over 30 years of experience with government in all forms: federal, provincial, municipal. I've never seen this. I cannot imagine why this should have happened. Mind you, having watched the Legislature over the last month or so on other topics, I have to say I continue to be surprised by how things are done. That's my only comment.

**M<sup>me</sup> France Gélinas:** Go ahead.

**Mr. Jagmeet Singh:** This is where I'm coming from, just so you understand my perspective. I think that in any transfer payment agency, boards are going to come,

they're going to go; some might be excellent, some may not be so good; but at the end of the day, my position is that the buck stops with the government. They provide the oversight. Given that context, I think the government should certainly have oversight and should have had oversight over Ornge.

Many of the things that went on—the compensation that shouldn't have gone on, some of the patient issues that shouldn't have gone on—went on with the board intact.

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What could the board have done differently? I mean, with absolute hindsight and given the fact that you relied on information that may have been inaccurate, what could the board have done now, if you went back in time and spoke to yourself and said, "Listen, Mr. Beltzner, my younger self, this is what you need to do to get to the bottom of this so that this doesn't happen"? What could you have done?

**Mr. Rainer Beltzner:** Mr. Singh, I can assure you that I have asked myself that question a hundred times. I have no doubt my fellow board members have asked that question themselves a hundred times. I don't think there is anything that we could have done differently, quite frankly. I've asked myself the question of, "When could signals have gone up earlier? When was there opportunity?"

We heard of the concerns expressed about financing of helicopters and fixed-wing. As I mentioned, this was not a secret at all. The raising of funds was something that was carefully discussed with the Ontario Financing Authority. If there was ever a question of concern, an initial flag might have gone up there that the government wasn't happy. No concern.

Certainly the MNP audit raised a number of questions about the performance agreement. I'm no expert on performance agreements. I'll admit that. But what I do know is that a performance agreement is a document that the government produces to set out the roles and responsibilities for others to perform under their watchful eye.

The performance agreement, to my surprise, contained no—it left Ornge completely independent, but still with the rights of government to oversee and examine everything. This was a rare instance. I've gone back now and looked at other performance agreements. This is a rather unusual one.

Perhaps there was an opportunity for government to raise signals earlier, but there's nothing there that I can see that we, as a board, could have done or might have done earlier. I believe very strongly that we did everything that was necessary to do carefully and with the belief that we had full honesty and transparency from management and full honesty and transparency from the government.

**Mr. Jagmeet Singh:** Okay. My colleague has more questions.

**M<sup>me</sup> France Gélinas:** I'm going to bring you back to the performance agreement, specifically when the MNP audit had raised a number of performance agreement



compliance issues. I'm on page 8 of your document, if you're interested, where you say that they "were appropriately resolved and subsequently monitored by the board through specific management reporting.

"However, the board was concerned about the delay in the ministry's reporting of external concerns."

You go on to say that you went on to write a letter. I'll read it exactly: "In a 2008 formal letter to Ruth Hawkins ... specifically requested that the ministry advise it"—as in Ornge—"and on a timely basis of any concerns it became aware of."

This is rather unusual for an agency to ask, in writing—

**Mr. Rainer Beltzner:** Excuse me. We're not an agency.

**M<sup>me</sup> France G  linas:** So what are you?

**Mr. Rainer Beltzner:** An independent not-for-profit. By definition, there are three types of agencies. The government—

**M<sup>me</sup> France G  linas:** Agencies, boards and commissions, you're not one of those. You're a—

**Mr. Rainer Beltzner:** Yes. Correct.

**M<sup>me</sup> France G  linas:** I call you a transfer payment agency. You're not a TPA?

**Mr. Rainer Beltzner:** No. I wouldn't classify us as a transfer payment agency. I'd classify us as an independent not-for-profit, or Ornge.

**M<sup>me</sup> France G  linas:** So Ornge—it's rather unusual for Ornge to write to the ministry, asking it basically, "Don't delay on reporting external concerns." Could you lead me through what brought you to do this?

**Mr. Rainer Beltzner:** Certainly. This had to do with a complaint that the ministry had received from—I'm searching my memory—a Mr. Walmsley, I believe, who had written the government about some concerns about us keeping double sets of books and things of that nature.

The letter was received by government, I believe some six, seven or eight months prior to Ruth Hawkins calling me and having a conversation with regard to this letter. We, of course, responded immediately and in depth, very open to audits coming in, examining and so on. But I was concerned on the question of why does it take six, seven, eight months to communicate something which clearly would be of concern to the board? I spoke to Ruth Hawkins about it at the time and expressed that I had never seen this before. My experience with government is that in my years, when there was a concern, they always called me up and said, "Can we work this out?" or something. So I decided, as I'm often apt to do, to put it in writing. I wrote to her and in my letter said, "Look, you need to communicate concerns on a timely basis, especially if they come in from external parties. We want, as a board, to know about this. We want to be able to deal with it." That's why that item was in there. It was a very, very specific request.

**M<sup>me</sup> France G  linas:** Do you figure things could have turned out differently if the whistle-blower—that was Mr. Walmsley, who did blow the whistle to the Ministry of Health. The Ministry of Health took seven

months to pick up the phone and tell you about it, and you went on to do your investigation. Would things have turned out differently had they picked up the phone seven months earlier?

**Mr. Rainer Beltzner:** No, I don't think so. The only thing that would have been different is that I wouldn't have included that comment in my letter to Ruth Hawkins.

**M<sup>me</sup> France G  linas:** Okay. You go on to say, "This request was seemingly not complied with. It was not until early 2012 that I and some other board members learned of the existence," and they had never. Basically, you are made aware of one whistle-blower that has gone to the ministry, and seven months later they call you. You do an investigation, and then nothing until 2012?

**Mr. Rainer Beltzner:** And then nothing until 2012, and I refer—for example, there's a very specific item that came up in January 2012, which was a fairly lengthy and quite comprehensive letter from a group of aviation companies. I'm sure that's in the files somewhere.

**M<sup>me</sup> France G  linas:** Yes, it is.

**Mr. Rainer Beltzner:** I and a couple of my board members were presented with this letter in early 2012. It was written, I think, at least a year earlier. That's the first time that we had seen it. You have to ask yourself the question, why was this not forwarded to the board?

**M<sup>me</sup> France G  linas:** Did you ask that question? It was actually written in November 2010.

**Mr. Rainer Beltzner:** Well, we certainly asked that question of ourselves. I don't think we had the, shall we say, lines of communication with the ministry open at the time.

**M<sup>me</sup> France G  linas:** But you heard no answer as to why?

**Mr. Rainer Beltzner:** I have not heard in any testimony here or in any discussion as to why that letter was suppressed.

**M<sup>me</sup> France G  linas:** The ministry never contacted you about any other whistle-blower that had gone to the ministry?

**Mr. Rainer Beltzner:** I've received no other contact about any other whistle-blower that had gone to the ministry at all, and neither, to the best of my knowledge, had any of my board members.

**The Chair ((Mr. Norm Miller):** You have about two and a half minutes.

**M<sup>me</sup> France G  linas:** Altogether?

**The Chair (Mr. Norm Miller):** No, you'll get another round.

**M<sup>me</sup> France G  linas:** Okay. The—you kind of disrupted my chain of thought there, Norm. I think I'll wait and add it to my second round.

**The Chair (Mr. Norm Miller):** We'll go to the government. Ms. Jaczek.

**Ms. Helena Jaczek:** Mr. Beltzner, you'll notice that there are some new faces since you were last here.

**Mr. Rainer Beltzner:** Yes.

**Ms. Helena Jaczek:** Mr. McNeely is a fixture, however.



I'd like to go back a little bit in terms of, when did you first meet Dr. Mazza?

**Mr. Rainer Beltzner:** It would have been late 2004, early 2005, somewhere around there.

**Ms. Helena Jaczek:** How did you meet?

**Mr. Rainer Beltzner:** I was working at the time for a large management consulting firm and specializing, obviously, in public sector practice and so on. Dr. Mazza called me up one day and asked me whether or not I could help him look at his current staffing and his current workload and do an assessment of whether the current staffing met the current workload requirements.

**Ms. Helena Jaczek:** At Sunnybrook, with the original—

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**Mr. Rainer Beltzner:** He was located at a facility on Sheppard Avenue.

**Ms. Helena Jaczek:** And what was his work at that point?

**Mr. Rainer Beltzner:** Well, he was responsible for the base ambulance program operated out of Sunnybrook.

**Ms. Helena Jaczek:** So he employed you.

**Mr. Rainer Beltzner:** He hired me as a consultant.

**Ms. Helena Jaczek:** He hired you.

**Mr. Rainer Beltzner:** Hired my firm, yes.

**Ms. Helena Jaczek:** Okay. And so you had frequent interactions with Dr. Mazza after that?

**Mr. Rainer Beltzner:** Well, I wouldn't necessarily say frequent. I mean, I went to that location. I interviewed most of the staff, and there were only, I think, five or six staff at the time, some staff responsible for paramedic training. There were no administrative staff because, of course, all of the administration was being handled by Sunnybrook and Women's. Non-province billings were handled out of the ministry and dispatch was handled out of the ministry, so it was a very small staff.

**Ms. Helena Jaczek:** Did you deliver reports?

**Mr. Rainer Beltzner:** I did.

**Ms. Helena Jaczek:** Have we ever seen that?

**The Chair (Mr. Norm Miller):** I don't believe so.

**Ms. Helena Jaczek:** I would like to have a copy of that report tabled, please.

**Mr. Rainer Beltzner:** I don't have a copy of the report. This is now over 10 years ago, or in that range.

**Ms. Helena Jaczek:** Yes, I'm just sort of exploring the relationship that you—

**Mr. Rainer Beltzner:** Yes. No, I don't have a copy of the report, but it would have been a standard, if I recall, BearingPoint management consulting report that says, "You asked us to do this; this is how we did it. Here are the results. Thank you very much."

**Ms. Helena Jaczek:** Do you remember whether you found the service adequate, or do you remember the results of your report?

**Mr. Rainer Beltzner:** To the best of my recollection, there were some gaps in the alignment of people to

activities, and I certainly would have highlighted those in the report.

**Ms. Helena Jaczek:** Did Dr. Mazza adopt your recommendations, do you know?

**Mr. Rainer Beltzner:** I honestly don't recall.

**Ms. Helena Jaczek:** Subsequent to that, when did he, as you've told us, invite you or suggest that you might be interested in the board of Ornge as chair?

**Mr. Rainer Beltzner:** It probably would have been within the following year.

**Ms. Helena Jaczek:** I see. And did you find that at all unusual, that you would be approached by someone who was apparently going to be the CEO? I haven't heard of too many CEOs inviting board members to sit on their board.

**Mr. Rainer Beltzner:** I don't think Dr. Mazza was CEO at the time. He was responsible for the base hospital operation on behalf of Sunnybrook and Women's, and as far as I understood—this is going back through some material provided by previous testimony—Dr. Mazza had been dealing with a variety of different ministers or deputy ministers of health, as well as the board of Sunnybrook, with a vision to consolidate. In Dr. Mazza's view, it would be fair to say he viewed it as a fractured air ambulance system in Ontario.

At some point—I mean, you heard Dr. Lester testify that the first step was the creation of the Ontario Air Ambulance Services Co., Inc.—

**Ms. Helena Jaczek:** But the proposal from Dr. Mazza to yourself was that you be the chair of this new entity.

**Mr. Rainer Beltzner:** Well, I first came on to the OAASC board as a member, and then when the other member—when that was changed, I became chair, yes.

**Ms. Helena Jaczek:** So at first you were just a member of the board, when it was Ontario Air Ambulance?

**Mr. Rainer Beltzner:** Correct.

**Ms. Helena Jaczek:** And Dr. Lester was there from Sunnybrook?

**Mr. Rainer Beltzner:** Correct.

**Ms. Helena Jaczek:** How big was that board? How many members?

**Mr. Rainer Beltzner:** When Sunnybrook was involved? I honestly can't remember. It could have been seven or eight.

**Ms. Helena Jaczek:** Seven or eight. And then subsequent to that, did you take this course, the ICD—

**Mr. Rainer Beltzner:** I did, yes.

**Ms. Helena Jaczek:** And that's where you met Mr. Pickford and Ms. Colle?

**Mr. Rainer Beltzner:** Yes. That was many years later.

**Ms. Helena Jaczek:** Many years later?

**Mr. Rainer Beltzner:** Yes.

**Ms. Helena Jaczek:** I see. So you were on the board, and then many years later you decided to take the course?

**Mr. Rainer Beltzner:** I was on the board, and then—I forget when I took the course. It was probably 2006 or 2007—somewhere in there.



**Ms. Helena Jaczek:** When you—

**Mr. Rainer Beltzner:** Well, it must have been 2007, because that's when I met Mr. Pickford and Bethann Colle.

**Ms. Helena Jaczek:** During the time 2004 to 2007, how would you describe your relationship with Dr. Mazza?

**Mr. Rainer Beltzner:** A client relationship, then I would say nothing other than a business relationship. There was certainly no personal relationship.

**Ms. Helena Jaczek:** So it was a bit of a reverse. First you provided a service to him, and now you were management and he was staff, essentially.

**Mr. Rainer Beltzner:** Yes.

**Ms. Helena Jaczek:** When you took the course and you recruited some new members, we heard from them that in fact you approached them directly. During that time, we do have in our documentation a report from the *Globe and Mail* by Karen Howlett dated February 15. A board member at the time, one Enola Stoye, apparently was asked to resign from the board, or her time on the board was going to be terminated.

Could you tell us a little bit about the conversation you had with Ms. Stoye?

**Mr. Rainer Beltzner:** Yes. The situation arose from a particular board meeting wherein Ms. Stoye made some, I would characterize them as, inappropriate, personal comments to Dr. Mazza, which were quite surprising. This led to a discussion with Dr. Mazza, who was rightfully upset about those comments. It led to a discussion with Luis Navas, who was head of the governance and compensation committee.

Then, subsequently, I had a discussion with Enola. During that discussion, I think we reached the appropriate conclusion that the relationship between Enola and Dr. Mazza was not going to get much better, that it was a relationship that went beyond, I would say, a typical board director's participation on a board. It got a little personal. As a result, I think we mutually agreed that it would be a good idea for her to step down from the board.

**Ms. Helena Jaczek:** According to what she was quoted in this article in the *Globe and Mail*, her version of events was that she had disagreed with the establishment of a charitable foundation, I think it was the *J Smarts* piece, using taxpayers' money. Do you remember that that was the situation?

**Mr. Rainer Beltzner:** Well, to the best of my recollection, that's a correct statement, but that's not why she left the board.

**Ms. Helena Jaczek:** What did you think about her judgment related to the establishment of this foundation?

**Mr. Rainer Beltzner:** She had her view. We had a long discussion at the full board about the establishment of that particular charity, and I think it's fair to say that, in that particular instance, Enola had one view and other board members had another view.

**Ms. Helena Jaczek:** How many people were on the board at that time?

**Mr. Rainer Beltzner:** Now you're pressing my memory. Six?

**Ms. Helena Jaczek:** I see. Did you think that was a good number to have?

**Mr. Rainer Beltzner:** Well, for a private not-for-profit, it's not an unusual number. I mean, I understand that hospital boards have 16 or more. Certainly, in my experience as chair of the board of Humber College, I had 16 or so board members, as stipulated under the various legislation. Certainly at TSSA, which is a delegated authority of the Ontario government, there were 13 members on the board: seven from industry, six appointed by government, but—

**Ms. Helena Jaczek:** That's fine; thank you.

**Mr. Rainer Beltzner:** —corporate boards, that's not unusual.

**Ms. Helena Jaczek:** Carver, of course—anyone who's studied corporate governance—is usually in the range of eight to 12.

**Mr. Rainer Beltzner:** I don't want to disagree with Mr. Carver, but I studied Carver quite extensively and have lectured on Carver's theory, and I think many not-for-profits would agree that Carver's theories are not exactly the correct ones.

**Ms. Helena Jaczek:** At the end of 2011, how many members were on the board?

**Mr. Rainer Beltzner:** At the end of 2011? Let me see. It would have been roughly the same number.

**Ms. Helena Jaczek:** About six.

**Mr. Rainer Beltzner:** About six, yes.

**Ms. Helena Jaczek:** So we have interviewed four plus you, so who are we missing?

**Mr. Rainer Beltzner:** I think you're missing Lorne Crawford, who is deceased.

**Ms. Helena Jaczek:** I see. That's unfortunate.

So, essentially, we can now deal with five members of the board through 2008 to 11?

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**Mr. Rainer Beltzner:** From 2008 until late 2010 or early 2011, before Mr. Crawford passed away, we had six members of the board, four of whom had gone through the ICD program, one of whom was an aviation expert—that's Mr. Lowe—and one of whom was a physician; that's Dr. Lester. Yes.

**Ms. Helena Jaczek:** I'd just like to turn now to remuneration. When you started on the board, how much was your remuneration?

**Mr. Rainer Beltzner:** In 2005, as a not-for-profit—not charitable status, but as a not-for-profit—my remuneration, according to Ornge records as provided to me by legal counsel at Ornge, was \$11,675.

**Ms. Helena Jaczek:** And in 2011?

**Mr. Rainer Beltzner:** In 2006, if I may just continue—

**Ms. Helena Jaczek:** No, I'd prefer not. I'd just to hear for 2011.

**Mr. Rainer Beltzner:** In 2011, the total remuneration was \$221,750.

**Ms. Helena Jaczek:** And where did that remuneration come from?

**Mr. Rainer Beltzner:** I previously testified to that point. It's in my previous testimony

**Ms. Helena Jaczek:** Please refresh our memories.

**Mr. Rainer Beltzner:** The remuneration for 2011 came from the for-profit company Ornge Peel. The for-profit company—that's fiscal year ended 2011, not calendar year. The for-profit company Ornge Air—my services as a member of the various committees, separate meetings with the AG and participation on the independent committee; I think \$155,000 was made up of the various retainers and \$66,750 was as a result of additional meetings.

**Ms. Helena Jaczek:** Did any of the money come from the Ontario taxpayer?

**Mr. Rainer Beltzner:** I would expect that, yes, some of it did.

**Ms. Helena Jaczek:** Do you not find that inappropriate?

**Mr. Rainer Beltzner:** Ornge was under a performance agreement with the government of Ontario as an independent not-for-profit—

**Ms. Helena Jaczek:** But you seemed to have emphasized to Ms. Gélinas the independent nature of this corporation—

**Mr. Rainer Beltzner:** Yes.

**Ms. Helena Jaczek:** —for which you were the chair of the board and ultimately responsible.

**Mr. Rainer Beltzner:** Yes. I'm sorry. What was the question?

**Ms. Helena Jaczek:** So the question is, don't you think it's inappropriate to use Ontario taxpayer dollars for your work on a for-profit corporation, essentially, which is what you turned Ornge into?

**Mr. Rainer Beltzner:** The company received monies from the Ontario public—the government—under what I viewed and what legal counsel has always told us was a commercial contract. We are not an agency of government and—

**Ms. Helena Jaczek:** So you could do with it what you wanted?

**Mr. Rainer Beltzner:** No, not at all. It's for the benefit of Ontarians, absolutely.

**Ms. Helena Jaczek:** Tell me how you spent your time, say, during 2011 earning \$200,000 as the chair of Ornge. You had quarterly board meetings with your small board of five individuals. What did you do in between time? Describe how many hours a week you were working for Ornge.

**Mr. Rainer Beltzner:** Probably through the course of 2010—the calendar year 2010—through to March/April 2011, I could well have spent 1,500 hours on Ornge and Ornge-related matters.

**Ms. Helena Jaczek:** Give me some examples. You were interested, as you have told us, with a patient focus. Were you looking at response times, amount of time of aircraft availability? I mean, that's a lot of hours.

**Mr. Rainer Beltzner:** Absolutely. First of all, as has been testified, we ended up with a large number of entities, including the for-profit subsidiary companies, Ornge Issuer Trust, the real estate company and so on. Each of these entities had its own board meetings and had its own financials—

**Ms. Helena Jaczek:** So was the bulk of your time spent on looking at these corporate entities and—

**Mr. Rainer Beltzner:** No. The bulk of my time—and I should say that if I say I spent 1,500 hours on Ornge over the course of the year, bear in mind that Ornge, the main company, was a charity and there was no remuneration received for that time. I would say I probably spent most of my time on Ornge and the Ornge Foundation, which again was a charity and there were no billings for that, of course.

**Ms. Helena Jaczek:** And how much revenue did these charities generate in terms of the foundation?

**Mr. Rainer Beltzner:** I don't have the financial records in front of me. I'm sure you can have access to that. It was certainly in the millions of dollars.

**Ms. Helena Jaczek:** And that was from which particular projects?

**Mr. Rainer Beltzner:** Again, you're trying to test my memory on this. There were a number of projects, both large and small. I seem to recall that there was a project at the charity that raised funds for young children transfers. You have a particular medical term for that, for dealing with babies and—

**Ms. Helena Jaczek:** Pediatric?

**Mr. Rainer Beltzner:** Pediatric transport, yes. We had a program to establish a pediatric transport program, and that was funded through a very generous donor. Then, of course, we had—

**Ms. Helena Jaczek:** For operating costs, or for capital expenditures?

**Mr. Rainer Beltzner:** Capital, and the various equipment necessary to outfit our helicopters and fixed-wing with pediatric. I think pediatric programs at the time, or movements of pediatric patients, were handled predominantly by a hospital in Ottawa and one in Toronto, and maybe one in London, if I'm correct. You would know this better than I.

This often required specialized staff from the hospital to come along, so there was—

**Ms. Helena Jaczek:** But presumably that was funded through the public dollars, the actual transport.

**Mr. Rainer Beltzner:** The actual transport—any patient in Ontario would be funded through public dollars, but I'm saying—

**Ms. Helena Jaczek:** Okay, so there was—

**Mr. Rainer Beltzner:** Your question on fundraising—there was fundraising there. There was certainly direct fundraising from the major suppliers to Ornge—

**Ms. Helena Jaczek:** And did that fundraising then subsidize some of your remuneration?

**Mr. Rainer Beltzner:** No, no, no. Monies that went into—all the fundraising that was done—there were two fundraising types, one that dealt with donor-specific



requests, which, for the most part, typically dealt with putting the money into a particular piece of equipment or something of that nature. Then there was fundraising of a general nature, to pay for the administrative costs of the foundation. For example, the foundation had an executive director, and the costs of that executive director were paid for by non-dedicated or non-specific donor dollars.

I'll give you an example. I did fundraising with a club that I belong to. I did Ornge fundraising within that club. We fundraise even as directors. We contributed significant dollars to the foundation for general-purpose dollars.

**Ms. Helena Jaczek:** You don't remember what you mean by "significant dollars"?

**Mr. Rainer Beltzner:** In terms of what I donated?

**Ms. Helena Jaczek:** Some sort of dollar amount?

**Mr. Rainer Beltzner:** Certainly it was in the thousands.

**Ms. Helena Jaczek:** Okay. Medical advisory committee: I'd just like to pursue that. Who attended from the medical advisory board at the board meetings—

**The Chair (Mr. Norm Miller):** You're on your last minute.

**Ms. Helena Jaczek:** Okay, I'll just ask this one before the next round.

**Mr. Rainer Beltzner:** Who attended from the MAC?

**Ms. Helena Jaczek:** Yes.

**Mr. Rainer Beltzner:** Okay. The first chair of the medical advisory committee was Dr. Bruce Sawadsky. He would attend. He was then replaced some years later by Dr. Yen Chow, who would come to the committee. It's generally those two individuals.

**Ms. Helena Jaczek:** Okay, we'll continue later.

**The Chair (Mr. Norm Miller):** Very well. Thank you. We'll move to the PC Party. Mr. Klees?

**Mr. Frank Klees:** Thank you, Chair. Mr. Beltzner, you spent considerable time in your opening remarks talking about the dire strait of Ontario's air ambulance service. Yet when we read the offering memorandum that your board approved for—was it \$230 million, the initial offering?

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**Mr. Rainer Beltzner:** I think it was \$275 million.

**Mr. Frank Klees:** It was \$275 million.

**Mr. Rainer Beltzner:** I think so.

**Mr. Frank Klees:** Throughout that entire offering memorandum, you speak glowingly to potential investors about the strong history of the air ambulance service, the worldwide reputation that that air ambulance service has. How could you do that, knowing what you told us about the state that the air ambulance system is in?

**Mr. Rainer Beltzner:** Well, first of all, I think the reputation and capability of the air ambulance system is made up of predominantly the front-line workers. They're the ones providing the medical care—and as well, the patch physicians who supervise and direct them.

The fact that on day one we had a rather disastrous communications infrastructure handed over to us did not need to be highlighted in the offering memorandum,

because we had fixed it by then. In fact, we had fixed it very quickly and without any interruption to service.

Again, you can just imagine being handed over an operation where the province-wide dispatch centre collapses on day one—no backup, no recovery; nobody knows what to do.

**Mr. Frank Klees:** And you call that, sir, a strong basis on which to boast about the air ambulance system that you're now going out to raise \$275 million of debt on?

**Mr. Rainer Beltzner:** Absolutely.

**Mr. Frank Klees:** Can you tell us who bought into that debt offering? Who bought into that debt offering? Who ultimately took it up?

**Mr. Rainer Beltzner:** I can't recall who the providers were.

**Mr. Frank Klees:** You don't?

**Mr. Rainer Beltzner:** No, I don't—

**Mr. Frank Klees:** That's a pretty significant debt offering. Do you remember one?

**Mr. Rainer Beltzner:** OMERS? I can't remember.

**Mr. Frank Klees:** Did any companies that you are associated with, or were associated with, take that offering up?

**Mr. Rainer Beltzner:** Not that I'm aware of. I wasn't involved in the road show on the debt offering. Certainly, there were a lot of negotiations going on with TD, Toronto-Dominion Bank, that I believe had floated us a loan while this was going on. I think they were, you know, intimately involved. We had experienced independent financial advisers working on it. But as to who finally took it up and to what percentage, I honestly can't recall.

**Mr. Frank Klees:** Okay. We heard about the for-profit entities and why they were put together. You spoke glowingly, in your extensive letter that was presented to the Ministry of Health, about the opportunity that those for-profit entities would have to generate profit and ultimately supplement Ontario's air ambulance service. Did you really believe that those for-profit entities would become successful?

**Mr. Rainer Beltzner:** Absolutely.

**Mr. Frank Klees:** Did you ever invest in them?

**Mr. Rainer Beltzner:** No.

**Mr. Frank Klees:** Why?

**Mr. Rainer Beltzner:** Well, for one, I don't have the money. I wasn't there as an investor.

**Mr. Frank Klees:** Why not?

**Mr. Rainer Beltzner:** What for?

**Mr. Frank Klees:** Well, if it was going to be so successful, would you not want to be first at the table, or at least indicate your willingness to invest in these companies?

**Mr. Rainer Beltzner:** I think this is—I don't know where you're going on this, but this kind of reminds me of a television show that is on periodically, where, you know, people come forward, looking for investment.

On the board, we're interested in securing additional sources of funds for Ornge. We're not on the board in



there to look at personal investments in something of this nature. We're certainly there—certainly I believed in it; the rest of the board believed in it. We received lots of data that suggested this was going to be successful. There had been strong expression of interest from different parts of the globe concerning Ornge's potential operations in their geography. So all the indications were that this was going to be successful.

**Mr. Frank Klees:** Did you get any shares in any of those corporations?

**Mr. Rainer Beltzner:** Yes. Subsequently, we found out that Dr. Mazza had allocated some shares in this company called OGMI, which was the initial, if you like, holding company of the limited partnership. A limited partnership, when it's created, has to have a partner that holds the shares, and this is the company that was created. Those shares would of course be significantly diluted as other people come in to buy into the limited partnership.

As I understood it, Dr. Mazza had offered each of the board members some half a per cent of a share or something. We never saw the shares. Certainly this came as news and all the rest of that. I can tell you that—

**Mr. Frank Klees:** Were minutes ever signed to issue those shares?

**Mr. Rainer Beltzner:** Pardon me?

**Mr. Frank Klees:** Were minutes signed to issue those?

**Mr. Rainer Beltzner:** I don't know. OGMI was a company that was—I believe Dr. Mazza, Maria Renzella and some other person might have been the officers of that company. I don't know. I had no insight into it.

**Mr. Frank Klees:** All right. So you found out that you had some shares; didn't know about it, even though you were the chair of the board. You did sign off, I understand, on a series of loans to Dr. Mazza: \$450,000 in July 2011; \$500,000 in July 2010.

**Mr. Rainer Beltzner:** Yes.

**Mr. Frank Klees:** The security for those loans: Do you recall what they were?

**Mr. Rainer Beltzner:** You and I had that discussion at the last testimony, and I explained that to you, yes.

**Mr. Frank Klees:** I'd like you to explain it again, please.

**Mr. Rainer Beltzner:** Well, with all respect, so that I get it the same—

**Mr. Lincoln Caylor:** From my client's perspective, we don't want to turn it into a memory exercise, and someone's going to compare and contrast testimony from three different occasions before this committee over three different times. While I'm sure he'll do his best to help you repeat and go through the areas—

**Mr. Frank Klees:** Well, fair enough. Let me remind you that the security for one of those loans was 5,101 class A common shares in Ornge Global Management Inc. Do you recall that?

**Mr. Rainer Beltzner:** Yes.

**Mr. Frank Klees:** Okay. What were those worth?

**Mr. Rainer Beltzner:** I think the question you asked me the last time I was here was, "What did you think the value of OGMI was?" And I think I said something like, "There have been numbers of \$100 million thrown around." I believe that's what you asked—

**Mr. Frank Klees:** I remember you telling me that they were worth \$100 million at the time, and I thought you might have had some time to think about it between now and then. You may want to revise your thinking.

Let me put the question differently. It doesn't really matter what someone told you they were worth. As the chair of the board, you knew full well what the asset value of that company was. What is a realistic value that you could testify to, that, with all of your professional background and knowledge, those shares were actually worth?

**Mr. Rainer Beltzner:** The best that I was able to testify is what I told you. I had no other basis. There were some numbers that had been provided floating around about the potential market value of these shares in the future, and that's what it was.

**Mr. Frank Klees:** No, I'm not talking about the future; I'm talking about at the time that you signed this note and lent this man \$450,000 and took as security this paper—because surely that's all it was, was paper, and yet you signed off on that. You took, as a pledge against a \$450,000 loan, paper. That's all it was worth at the time. Isn't that true?

**Mr. Rainer Beltzner:** There's no question about that.

**Mr. Frank Klees:** Okay. Can I ask you where the money came from, when the cheque was written out to Chris Mazza for \$450,000, and again \$500,000 in July 2010, and in March 2011, a \$250,000 advance against his bonuses? Where did that money come from? What was the source of that money?

**Mr. Rainer Beltzner:** The first of the loans, which was a housing loan provided by Ornge Peel, I believe—

**Mr. Frank Klees:** Where did the money come from? Where did Ornge Peel get that money?

**Mr. Rainer Beltzner:** Ornge Peel got that money as it got the money to pay Dr. Mazza's compensation, and the compensation of all employees of Ornge Peel at the time came from monies under the performance agreement.

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**Mr. Frank Klees:** So it came from the taxpayers.

**Mr. Rainer Beltzner:** It came from money under the performance agreement, yes.

**Mr. Frank Klees:** It has taken us 50-some witnesses to get to this point.

**Mr. Rainer Beltzner:** That particular housing loan to Dr. Mazza, which I will state is not an unusual thing to do, came from monies as a result of the commercial agreement between Ornge and the province.

The two other amounts came from monies, as far as I was led to believe, raised as a result of the marketing agreement with AgustaWestland and other sources other than funds from the performance agreement. In fact, I recall a conversation with Maria Renzella to say to Maria, "Are these funds available? Do we have the cash to do this?"



**Mr. Frank Klees:** And she assured you that the funds were there?

**Mr. Rainer Beltzner:** Yes.

**Mr. Frank Klees:** But you're not certain that that money came from anywhere—it may well have come from Ornge, right?

**Mr. Rainer Beltzner:** You know, Mr. Klees, as provided by testimony to this committee a number of times from various sources, there certainly appear to be flows of money that I and others on the board were not aware of.

**Mr. Frank Klees:** I'd like to just talk about the board and perhaps follow up a bit on Ms. Jaczek's questions. The current board of Ornge is being paid nothing; they're doing this as public service. When I look at the bylaws that were signed by yourself and Chris Mazza originally, those bylaws provided for no remuneration for directors. Then there were a series of amendments to those bylaws over time. By the way, what I find interesting is that Chris Mazza signed them as secretary.

**Mr. Rainer Beltzner:** Which company are you speaking of?

**Mr. Frank Klees:** Well, I'm talking about Ornge.

**Mr. Rainer Beltzner:** Ornge the charity?

**Mr. Frank Klees:** Yes.

**Mr. Rainer Beltzner:** Yes.

**Mr. Frank Klees:** So Chris Mazza—

**Mr. Rainer Beltzner:** There was no remuneration for board members of Ornge the charity.

**Mr. Frank Klees:** Well, no. There are others here too. I have an entire binder that relates to Ornge itself, not the charity, that also provide for no remuneration, initially. Then they were changed. But here's my point: In addition to the fact that board members determined that they should be paid significantly, what concerns me is when we go through the expenses, we also come across retreats by the board: Niagara-on-the-Lake, an \$8,000 bill here; retreats in Florida, another \$12,000 or \$14,000 bill. Can you tell me how you and your board members justify—at the same time that your front-line staff are bringing concerns to your management about understaffing, not enough paramedics, not enough pilots, about decisions that were made that your board must have known about to shut down a paramedic base in London, you feel quite good about spending those dollars at a retreat where you could just as well have had those meetings in your head office, knowing the dire straits that the organization was in. How do you justify that?

**Mr. Rainer Beltzner:** The beginning part of your question, where you claim that we knew about this and that, I again dispute. You're consolidating a multi-year timeline into a couple of instances. Let me respond to the specific retreats, as you call them.

The first retreat that we took was to Kenora in the middle of February, in which the board members sat in a cold Holiday Inn room, I think it was—it might have been something else—for a day, and then took rideouts.

I believe the second retreat was in fact one in Florida where we specifically went to see an operation in Florida

because we had wanted to get the board a look at a similar-sized or a reasonably comparable type of operation to kind of see what they were doing—because there's really nothing much else to look at around Ontario, quite frankly.

The other retreats that you mention, whether it's \$6,000 or \$8,000 or whatever the case may be, we did have one retreat, maybe two retreats, in a facility in Niagara-on-the-Lake because it was convenient. We did not have at the time—in one of them, I don't think we had a room that was capable of handling the presentations that were being done by external advisers on insurance plans and so on that I recall. So yes, we did go offsite a number of times. I don't think that's unusual.

In fact, I seem to recall in my experience on the board of Humber College that we attended sessions in different parts of Canada on an annual basis, which was paid for by Humber and paid for by all of the colleges—

**Mr. Frank Klees:** Mr. Beltzner, thank you very much. You have answered my question, and obviously there are no regrets there either.

**Mr. Rainer Beltzner:** No, I think they were very fruitful meetings.

**Mr. Frank Klees:** Well, obviously fruitful. I would hope so. According to the receipts, movies, minibars—you could have gotten yourself a room here at Queen's Park for next to nothing, and in terms of the convenience, I think the taxpayers and the patients out there who have been watching your presentation here are not very impressed. I would have thought at the very least you would have said, "You know what? That was a mistake," knowing the fiscal state that we're in.

I'm going to refer to a letter. How much time do we have, Chair?

**The Chair (Mr. Norm Miller):** You have four minutes.

**Mr. Frank Klees:** Okay. Here's a letter dated July 19, 2011, signed by you and addressed to Mr. Rob Nishman of the Ministry of Health. This letter, if you recall it, was in response to—

**Mr. Rainer Beltzner:** Could I have a copy of that letter? I don't recall it.

**Mr. Frank Klees:** Yes, you can. As a matter of fact, Chair—copies.

This was in response to an anonymous letter that was written to the Ministry of Health about concerns within Ornge, and it spoke about problems at the communications centre, patient care, medical dispatch, patient feedback, staffing at the Ornge bases, helicopter launch criteria, orientation and training and so on and so forth.

What was interesting about this is that in one of your closing paragraphs in this letter, on the last page under "Whistle-blower Policy," you state—this is your comment to the ministry. I quote: "The board has no plans to introduce a whistle-blower policy at Ornge until Ontario introduces similar protection for its residents. Currently, protection for whistle-blowers in the public sector is limited and largely unenforced and there is no protection at all for whistle-blowers in the private sector



in this province. This applies to an organization like Ornge.”

I find that incredible. I think every member on this committee has had emails and calls and brown envelopes from people within the organization who are desperate and were desperate to tell us what was going on. Here you had one example of someone actually coming forward to the ministry, blowing the whistle on what went on, and they got shut down. Your letter justifies everything. I don't know who wrote it, but you signed it.

In this letter as well, on page 3, there's a specific reference in the middle of the page entitled “Email from Randy L'Heureux.” You said, “As a result of a \$2-million shortfall in projected funding from the government and a further \$1.7-million HST negative impact, Ornge needed to manage our limited resources.”

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Mr. Beltzner, this is at a time when you and your fellow directors were hobnobbing it at retreats in Niagara-on-the-Lake and when you were shutting down paramedic facilities and when you were flying to Florida and flying to Europe and trying to drum up business about some vision that Dr. Mazza had. You got your focus off the core mandate that you were initially asked to look after and oversee, and that is emergency services for air ambulance here in the province of Ontario.

What we continue to hear—we've heard it now from your fellow directors; we're hearing it now from you: a very well organized presentation. You didn't know anything. Had you known, you might not have done anything different. You justify using taxpayer dollars for some vision out there.

I just got this, just now: Two minutes ago I got the news that Ornge sold two helicopters for \$10 million each. You and your board authorized the purchase of those two helicopters, which were not needed; they were going to be spares or for some other purpose. You bought them for \$11 million each. So now we're sitting on another loss of \$2 million to the taxpayers. Was that a good deal when you signed off on it?

I have to tell you, I see your presentation; I hear what you're saying. I have to tell you that, based on the experience that you have as a chartered accountant, as someone, as you say, having lectured on governance issues, knowing what you know, to have presided over the disaster that we have at Ornge, notwithstanding the lack of oversight by the ministry—I'm with you on that; they didn't do their job. But I can tell you, I believe it was the ministry; the board of directors failed miserably as well. Instead of acknowledging that, I hear nothing but justification from you. It's very disappointing.

**Mr. Rainer Beltzner:** Was there a question?

**Mr. Frank Klees:** No, I think we're out of time.

**The Chair (Mr. Norm Miller):** Thank you. You've used up your time for now.

If you do want to say anything, you're welcome to.

Okay, so we'll move on to the NDP. Madame Gélinas.

**M<sup>me</sup> France Gélinas:** I want to come back to a question that we've asked to all of the previous board mem-

bers. That is, when we found out that Dr. Mazza was getting a \$400,000-a-year stipend to provide medical directives as late as until he went on his medical leave and then quit, did you know?

**Mr. Rainer Beltzner:** No.

**M<sup>me</sup> France Gélinas:** When did you find out?

**Mr. Rainer Beltzner:** It came to the surface as a result of requests from the ministry to put together Dr. Mazza's compensation. I think in my previous testimony I said that was in late December at some point.

**M<sup>me</sup> France Gélinas:** So when the ministry asked for Dr. Mazza's salary, you put that together and then you became aware.

**Mr. Rainer Beltzner:** I believe it was the finance department or payroll department that put that number together.

**M<sup>me</sup> France Gélinas:** Okay. And you hadn't signed off on that compensation?

**Mr. Rainer Beltzner:** No. Let me be clear. Back in 2007, I did sign off, along with the chair of the governance and compensation committee, on a contract with Dr. Mazza to provide services as medical director. That was a continuation of a previous contract that he had, that I was assured that he had, from 2005, when Ornge was formed, that was signed off, I'm now told—I was told subsequently—by Jacob Blum and Dr. Mazza, which apparently was a contract that fell over from Sunnybrook and Women's.

Nevertheless, in 2007, Luis Navas, who was chair of the compensation and governance committee, approached me and said, look, we have this contract with Dr. Mazza, which is a contract that existed previously, etc. I read through the contract. I had a discussion with Mr. Navas concerning, you know, is this something that is needed, etc., and I signed off on it for that year, yes.

Apparently the contract had a continuation clause in it and Dr. Mazza continued to draw money from that throughout the years, as I understand.

**M<sup>me</sup> France Gélinas:** And was the initial contract for the same amount?

**Mr. Rainer Beltzner:** I don't recall. You'd have to pull out—I think somewhere around \$60,000 per region, something of that nature.

**Mr. Phil McNeely:** Chair, could I ask the witness to get closer to the mike? I'm missing it.

**Mr. Rainer Beltzner:** Yes, sorry. I'll do that; my apologies.

**M<sup>me</sup> France Gélinas:** Okay. You were the one who alerted the ministry about the contract between Dr. Mazza and Dr. Stewart?

**Mr. Rainer Beltzner:** Correct.

**M<sup>me</sup> France Gélinas:** How did you come to know that?

**Mr. Rainer Beltzner:** When I started to ask questions—again, in December of 2011—of the management team at Ornge, I was, as you can imagine, somewhat unhappy about the fact that payments had been made where there was no supporting invoice. You know, it's one thing if you've got a supporting invoice that says, “Yes, I



spent the time. I did this," and so on, but there was nothing. You know, I then asked the question, "Well, who else is getting paid in this organization where there is no supporting invoice?" That's against all policy; that's against everything.

There were a couple of things that came up. One is—certainly, all of the patch physicians were under that kind of thing. They had a contract for services and they did not submit, as far as I understood, specific invoices, as I was told. But with respect to patch physicians, subsequently I was told by Dr. Sawadsky that in fact one of the things that he did was review the performance and time of all of the patch physicians to make sure that this was reasonable, still to keep them on.

One of the names that came up was the name of Dr. Stewart from Mt. Sinai. That came up from Mr. Tom Lepine. As I mentioned, I had a discussion with a number of the executives rather angry at the issue. Mr. Lepine said, "Well, there is this Dr. Tom Stewart at Mt. Sinai. Dr. Mazza had engaged him to do something and everyone at Ornge didn't think that was necessary or services were being provided." So, it's another one of these things that I just said, "Okay, well, somebody better look at this."

**M<sup>me</sup> France Gélinas:** So, how did it come to hit the Toronto Star a year later?

**Mr. Rainer Beltzner:** I have no idea. I think, you know, one of the principal investigators, Kevin Donovan, I think, as Mr. Walmsley referred to him—I don't know; he comes up with this a year later. I mentioned this in testimony, I think, the first time I was here over a year ago, so I don't know.

**M<sup>me</sup> France Gélinas:** Okay. So the compensation to physicians—they were on a retainer?

**Mr. Rainer Beltzner:** Yes.

**M<sup>me</sup> France Gélinas:** Their contracts were paid, whatever, bi-weekly or every month. Somebody checked that they had actually done some work. They didn't submit an invoice, a timesheet or anything like this; they just got paid?

**Mr. Rainer Beltzner:** Yes, but I believe, because they were in charge of particular patient matters, they would have completed some information that's required with respect to patient matters, because they were the ones on the phone dealing with paramedics as paramedics were dealing with patients. So, I presume, in the confines of the medical world there are some confidential documents that are prepared, that evidence that the physicians were involved.

**M<sup>me</sup> France Gélinas:** Okay. So, when you realized that there were payments to Dr. Stewart but he did not fit those criteria where you could trace back that he had been providing care, who did you tell?

**Mr. Rainer Beltzner:** At that point—I think that was an email that I wrote. I previously testified on that. It was an email, I think, that I wrote to Ken Flynn, of internal audit. It was part of another email basically saying, "You know, this came to my attention. You should check up on it and figure out what's going on."

**M<sup>me</sup> France Gélinas:** And did you hear back from the ministry?

**Mr. Rainer Beltzner:** No.

**M<sup>me</sup> France Gélinas:** You didn't hear anything back?

**Mr. Rainer Beltzner:** None of the items that I raised to him—I think there were two correspondences that I raised to him, probably. The one correspondence was Dr. Mazza's \$400,000, and then Tom Stewart's thing. And then in January 2012, I called him and talked to him about what we had found out about the supposed payments for the weight upgrades. I have not heard back from Mr. Flynn on any of those letters.

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**M<sup>me</sup> France Gélinas:** Do you want to go?

**Mr. Jagmeet Singh:** Sure. Do you recall a correspondence that you received from Maria Renzella in 2010 where she requested that for Dr. Mazza's role as the medical director for Ornge, for CCTU and for OCC he be given an additional stipend of \$125,000?

**Mr. Rainer Beltzner:** I recall that. My response back to Maria was—I asked a question of whether that was for his role as a patch physician, because I knew that he occasionally—more frequently, in some cases, because of shortages of physicians—sat in and did patch physician work. Maria's response was, "Yes."

**Mr. Jagmeet Singh:** Okay. So you asked for that clarification. In her letter, she mentions something to the effect that he was actively engaged in a number of quality initiatives that focused on improved efficiency and improved patient outcomes, and that this participation was above the activities normally performed by the medical director. Do you recall that type of language?

**Mr. Rainer Beltzner:** Yes, something of that nature.

**Mr. Jagmeet Singh:** And then in addition to this, it stipulated that there were three other specific areas of stipends and that the medical director gets a stipend of \$85,000 generally and then the medical director for the CCTU gets an annual stipend of another \$85,000. The other position, medical director of the OCC, would receive an annual stipend of \$135,000. Were you aware of those three separate—

**Mr. Rainer Beltzner:** I don't recall those.

**Mr. Jagmeet Singh:** Okay. I asked you a question previously and I think the way I worded it wasn't exactly what I wanted. I don't fault you for your answer, but I'm going to try again.

**Mr. Rainer Beltzner:** Sure.

**Mr. Jagmeet Singh:** I think what I initially asked you and the way you understood it was: "Going back, is there anything you would have done differently in the board?" Given all the information that you had, you wouldn't have done anything differently, but let's say it's this specific scenario: You know now all the information you know now. You know that Dr. Mazza's salary, his compensation, was far above and beyond what it should have been: the additional \$400,000 that he didn't provide services for. You know now about what, at the time and with the information that you had, didn't seem like a kickback, but which now it starts to look like the



marketing services agreement, with the flow of money, can have a questionable appearance.

With that information now, if you told yourself in the past—what would you have done with that information, if you knew that there were some salary issues with Dr. Mazza, you knew that there were some patient care issues and you knew that there were some issues with that kickback? What would you have done with that information?

**Mr. Rainer Beltzner:** Had I known that, for example, Dr. Mazza was receiving monies for which he was not providing services, I certainly would have taken some measures to, first of all, stop the flow of money and, secondly, deal with Dr. Mazza's continuing employment. I cannot tell you how dealing with Dr. Mazza's continuing employment would have gone, but it certainly would have been dealt with.

Similarly, had we received evidence—and I emphasize “evidence”—concerning an unauthorized payment to Agusta—I will just clarify for you that in the board minutes approving the Agusta helicopter purchase, there was a specific clause in that agreement that said anything above and beyond significance to this purchase agreement had to have the board's approval or the signature of Dr. Mazza and Mr. Beltzner. I have never seen any of those additional payments. I have never seen my signature on any of those additional payments. Had I seen an additional payment, it would have gone through the board and it would have gone through a normal review process, presumably to determine whether it was appropriate or not. Had we become aware that it was not appropriate—I think, again, this is a matter of an OPP investigation, because I can tell you I do not know whether it was or wasn't. I've seen documents that suggest it was not supposed to have been made. I have not seen a money transfer that actually represents what was paid. So I don't know, all right? But had it been brought forward as an inappropriate payment, I can assure you the board would have acted on it.

**Mr. Jagmeet Singh:** Okay. Thank you.

**M<sup>me</sup> France Gélinas:** Answering questions from my colleague, you made it quite clear that you understand the difference between a not-for-profit corporation and a for-profit.

**Mr. Rainer Beltzner:** Yes.

**M<sup>me</sup> France Gélinas:** When you're part of the board of directors of a not-for-profit, the expectation of being paid for doing this is a no-no. You know that—

**Mr. Rainer Beltzner:** Well, no, that's not quite correct. Not-for-profit charity status: There's no payment to boards. A not-for-profit: In some instances, there is a stipend that's paid to a board director for attendance at meetings and so on.

**M<sup>me</sup> France Gélinas:** Okay. So the reason you accepted the \$200,000-plus payment was because of the time that you spent on the for-profit side?

**Mr. Rainer Beltzner:** Absolutely. Becoming a director on the for-profit side, particularly in an operation that handled financial management, that handled staffing, that

handled procurement—and then the other company that operated under a Transport Canada licence, an aviation operation—increases the risk to directors quite substantially, and the directors typically have a lot more work to do in those situations and are remunerated for that.

**M<sup>me</sup> France Gélinas:** But, see, I fail to see the difference, because when Ornge was only the not-for-profit, it did schedule staffing; it did make sure that it had an air Canada worthiness certificate; it did all of that already—

**Mr. Rainer Beltzner:** No, no. The initial Ornge, pre-2007, absolutely did have a staffing side that did the financial side, did the procurement. It did not have the licence to operate an airline. That was handled by CHL and the third party providers. It didn't have a licence to maintain aircraft, didn't have a licence to fly them. All of that was handled by third party providers, and I've talked about how that was done or not done.

I've talked about the reasons why we created Ornge Peel as a for-profit, and the transfer of non-Ambulance-Act-required staff from Ornge—which we had by then morphed into a charity status—into Ornge Peel. Ornge Air came about as we took delivery of the first fixed-wing aircraft.

**M<sup>me</sup> France Gélinas:** Okay. But the procurement function, the staffing functions were there when you were in the board of directors of the not-for-profit?

**Mr. Rainer Beltzner:** Yes.

**M<sup>me</sup> France Gélinas:** They got transferred to the for-profit—

**Mr. Rainer Beltzner:** Yes.

**M<sup>me</sup> France Gélinas:** —and that suddenly justified paying for what you were doing for free before?

**Mr. Rainer Beltzner:** Well, no. The timing is a little tight on this. Ornge, when it was first created, was a not-for-profit, purely a not-for-profit. As I testified, I and all of the directors received a modest stipend for the board meetings and other activities. In fact, in the first couple of years, I think we just did it on the basis of, you know, “It doesn't matter how many times we meet; this is the maximum.”

Then, when things became a little more complicated and Ornge Co. and Ornge Peel were formed, and Ornge became a charity, the stipends were increased. The difference was that because we started to have more meetings—the operation was more complex—we started to provide retainers as, you know, the chair of a committee, each committee meeting and so on.

So under the early days of Ornge, in the first couple of years, it was relatively straightforward. You had one company, a not-for-profit—it wasn't a charity. You had one company and fairly straightforward operations. So rather than trying to complicate matters, we just set a retainer on an annual basis and left it at that, and it wasn't a lot of money. As things became more complicated, again, we sought the advice of some experienced outsiders to give us advice on what the retainers should be and so on. But it's a fair amount of work.

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**M<sup>me</sup> France Gélinas:** And you feel that the compensation you received was justifiable?



**Mr. Rainer Beltzner:** Yes. Every one of my additional hours is detailed in billings to the companies involved, detailing what I did, who I did it with etc.—for example, the additional hours which were billed at a rate of \$250 an hour, which was anywhere from a half to a third of my normal billing rate.

**M<sup>me</sup> France Gélinas:** But you knew that the money to Ornge Peel was coming directly from the money that was what you call your performance agreement. I call it the taxpayer.

**Mr. Rainer Beltzner:** Yes.

**M<sup>me</sup> France Gélinas:** I'm trying really hard to understand your train of thought and your logic. So, if it comes from the taxpayer, you respect the fact that the board of directors does their work voluntarily with a minute stipend that we can all agree to pay—for your babysitter and your gas.

**Mr. Rainer Beltzner:** I think—no, I understand—

**M<sup>me</sup> France Gélinas:** Two hundred thousand dollars buys you a lot of babysitting.

**Mr. Rainer Beltzner:** I understand your confusion on the point. I think you need to understand that in the early years, the operation was, shall we say, far less complex from the point of view that you had, you know, third party providers doing most of the things. The number of staff was fairly small. As the company took on more of the responsibility and more of the operations, things become more complex and take more time. It's as simple as that.

But yes, the source of the money is the same, much like the source of the money, whether we pay CHL for flying aircraft and providing aircraft or are paying a finance company for having to pay for the purchase of aircraft for us, is all the same. The money comes from the performance agreement. The issue with the performance agreement is the performance agreement set out criteria that we were supposed to deliver service, and the question of how we deliver that service was left to Ornge to deal with, and that's straightforward.

**M<sup>me</sup> France Gélinas:** You're aware that now most of this staffing issue, the procurement issue and everything but—it's coming back to the not-for-profit, coming back to people who are doing it voluntarily. Ornge never grew to be anything, but it still is now.

**Mr. Rainer Beltzner:** I appreciate your comment, but the board, with all respect, that is dealing with Ornge today is dealing with a company that was not like that five years ago. This board that's dealing with things today did not need to go through the transition that we did, which is not to say they don't have tremendous challenges ahead of them.

I would not necessarily agree that it's the best idea to roll Peel back into Ornge. There are some legal liability issues, protection of Ornge assets and so on, that I would want to have a very close look at, but if that's what they choose to do, that's what they choose to do.

**M<sup>me</sup> France Gélinas:** You'll have—did you want to go?

**Mr. Jagmeet Singh:** Yes. One of the issues that you brought up in your comments and I just wanted it clarified—one area of concern came up that you had approached the ministry, given them some information, let them know about the direction you wanted to go, and you didn't get any clear correspondence saying, "No, don't go in that direction." But you also didn't get—now in retrospect, in hindsight—any clear, in-writing confirmation that they said, "Yes, go ahead with this."

**Mr. Rainer Beltzner:** That is correct.

**Mr. Jagmeet Singh:** So moving forward, for other boards, for other organizations or agencies, or for other entities like Ornge that the ministry provides the sole funding for, your recommendation to those board members is that the government should provide clear confirmation of whether they agree or disagree with the direction that an organization is headed in; and if the board members don't receive that, they should consider that they don't have the support of the government anymore and perhaps—

**Mr. Rainer Beltzner:** Well, as I indicated in my testimony, I think when you're on a board, whether it's on the board of Humber College, TSSA or any number of the charities and so on that I've been involved in, you have a right to expect open and honest communication from government. That's a fundamental right. I think if I knew then what I know now, I certainly would have said, "No written confirmation? Nothing more."

As I mentioned in my opening statement, I think boards would be well advised to not rely on no communication, no verbal communication—

**Mr. Jagmeet Singh:** They should insist on something in writing as something—

**Mr. Rainer Beltzner:** I think boards are well advised to get things in writing, yes.

**Mr. Jagmeet Singh:** That makes sense. Thank you.

Just building on Ms. Gélinas's point, do you agree now that, if there had been a for-profit, separate flow of income, a separate flow of funds coming in, there would be no issue with the board being remunerated—no one would have any issue with it? The fact that the income coming into any of the entities was still primarily taxpayer dollars—do you see that that wouldn't be the preferred choice? If the flow of monies is coming from taxpayer dollars, then ideally the remuneration for board members should be very modest. Do you agree with that sentiment, that generally speaking, that's a good idea?

**Mr. Rainer Beltzner:** I'm not certain that I would agree or disagree with that. I think I would have to study it a little bit more, because there are lots of complicated corporate structures that receive public funds, where you have, potentially, these types of situations. I really would not want to make a blanket statement on that; I would really want to study that.

**Mr. Jagmeet Singh:** Fair enough.

**Mr. Rainer Beltzner:** But I think it's worthwhile to study that particular point. You might take this as the lesson from Ornge, that this perhaps should be more specifically spelled out in performance agreements—



**The Chair (Mr. Norm Miller):** Thank you, and we'll move to the government. Ms. Jaczek.

**Ms. Helena Jaczek:** Thank you. Mr. Beltzner, I'm going to summarize what I've been hearing this afternoon.

**Mr. Rainer Beltzner:** Certainly.

**Ms. Helena Jaczek:** You were chair of a board that was in receipt of \$150 million in taxpayers' dollars by 2011. You had a very small board; it sounds like there were six of you, including yourself, certainly during the last few years. Most of the members, with the exception of Dr. Lester, seem to have been hand-picked by yourself—

**Mr. Rainer Beltzner:** Incorrect.

**Ms. Helena Jaczek:** How is that incorrect?

**Mr. Rainer Beltzner:** I certainly identified Mr. Pickford and Ms. Beth Colle, two individuals. I did not identify Lorne Crawford, I did not identify Luis Navas at the time, I did not identify Dr. Lester—

**Ms. Helena Jaczek:** I've mentioned Dr. Lester—"some" of whom you approached.

**Mr. Rainer Beltzner:** Some of whom, yes. Thank you.

**Ms. Helena Jaczek:** When there was a dissenting opinion, i.e. Enola Stoye, it was suggested that that person resign—for whatever reasons, but certainly from her point of view, at least as we read the quote—

**Mr. Rainer Beltzner:** I don't believe it was on a dissenting opinion.

**Ms. Helena Jaczek:** All right. However, that person removed themselves.

**Mr. Rainer Beltzner:** Yes.

**Ms. Helena Jaczek:** You have a CEO whom you had actually worked for, and now you're chair of the board of this entity. It strikes me—and having heard some of my colleagues' comments related to expenses and so on—that you had kind of a cozy group who knew each other very well. I guess I would have to question the objectivity of that group in supervising and, as you say in your own brief, that you had proper oversight of management's activities and proper stewardship of the company. It just doesn't sound like that. In previous testimony, you even referred to being in some way at the mercy of Dr. Mazza. This is what it sounds like to me.

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**Mr. Rainer Beltzner:** My reaction would be—you've referred to us as a cozy group. I had never met Mr. Luis Navas previously, I had never met Dr. Lester previously, I'd never met Mr. Lorne Crawford previously, I'd never met Enola Stoye previously. The only people on the board that I'd ever met previously, other than happen-chance at events, would have been Mr. Pickford, who was in charge of an international tax practice in the same firm that I was in. But because we didn't deal with each other, we didn't deal with each other.

I object to the phrase of "cozy group." We did not socialize with each other, other than at board meetings and so on. We have no social friends together. We don't

operate in each other's businesses. So I don't understand the reference to the cozy group.

**Ms. Helena Jaczek:** I'm telling you the way it appears to me.

**Mr. Rainer Beltzner:** I'm just saying the way it appears to me.

**Ms. Helena Jaczek:** In terms of the risk that you alluded to, the risk now that you were moving into this for-profit group of companies—in fact, the complexity was of your doing. You created this complexity. Did you not have directors' liability insurance?

**Mr. Rainer Beltzner:** Yes.

**Ms. Helena Jaczek:** So where was the risk? Why did you require additional compensation to assume that risk?

**Mr. Rainer Beltzner:** Because the business is more complex, took more time. You know, it doesn't—

**Ms. Helena Jaczek:** But you were the authors of that complexity, which, as my colleague Ms. Gélinas has pointed out, is unnecessary.

**Mr. Rainer Beltzner:** What's unnecessary?

**Ms. Helena Jaczek:** Your core business was running air ambulance in Ontario. It is being run now without that complexity.

**Mr. Rainer Beltzner:** I'm not sure that the Ontario air ambulance air operation is brought together with Ornge. I think there are some aviation licence issues there still; aren't there?

**Ms. Helena Jaczek:** So what are you implying? That obtaining aviation licences was somehow risky for directors?

**Mr. Rainer Beltzner:** Whenever you're running an aviation company, I think that's riskier than running a back-office company, for example.

**Ms. Helena Jaczek:** Let's turn to the founders' equity plan. You're no doubt familiar with that. It's referenced in the auditor's report. Did you have any role in the creation of that plan?

**Mr. Rainer Beltzner:** No.

**Ms. Helena Jaczek:** You're chair of the board.

**Mr. Rainer Beltzner:** What's that got to do with it? I wasn't the chair of the board of OGMI.

**Ms. Helena Jaczek:** Would you have a role in relation to a creation of some new plan within the umbrella of the organization you had proper oversight of?

**Mr. Rainer Beltzner:** I fail to understand the question. OGMI was a separate entity as being the principal at the time it was created. Again, if you look at the timing, it's created in early 2011 or mid-2011, whenever it was, to hold the initial shares of the limited partnership that would be invested into by third party investors. That particular company, if you like, the initial holder of the shares—would I have paid particular planning interest in that agreement? No.

**Ms. Helena Jaczek:** Did you expect to receive any benefit from this founders' equity plan?

**Mr. Rainer Beltzner:** No, not at all. In fact, the board members, after having received the notice—I know we chatted amongst ourselves and, in fact, had even sought some legal advice on how we could allocate those shares



over to Ornge because we had not looked for any benefit or remuneration out of this thing, so we consulted with Cynthia Heinz, who had written back to us in a variety of memos saying, This was complicated; that was complicated. It would have to be done in this trust,” and so on. We never did get around to finally doing that because events overtook us, but that’s what—

**Ms. Helena Jaczek:** So you, as the chair of Ornge, had no role in the creation of the founders’ equity plan?

**Mr. Rainer Beltzner:** That is correct.

**Ms. Helena Jaczek:** Why would you think that the Auditor General would have had difficulty in receiving documents in relation to this plan?

**Mr. Rainer Beltzner:** The Auditor General was in doing an audit of Ornge, and I know when the request came through Ornge from the Auditor General to receive copies of certain documents that were on the, if you like, other side of the fence, Ornge had no control of or oversight or had no controlling interest, if you like, in that side of the operation.

**Ms. Helena Jaczek:** Who did?

**Mr. Rainer Beltzner:** That would have been the Ornge Global GP board.

**Ms. Helena Jaczek:** And who was chair of that board?

**Mr. Rainer Beltzner:** I was chair of that board.

**Ms. Helena Jaczek:** So surely, then, you had a role in the creation of the plan.

**Mr. Rainer Beltzner:** I repeat again: I had no role in the creation of the plan.

**Ms. Helena Jaczek:** But you were the chair of that particular private sector entity.

**Mr. Rainer Beltzner:** Of the GP board, yes.

**Ms. Helena Jaczek:** Well, I’m totally bewildered.

So when you did find out that the Auditor General was having difficulty obtaining documents, were you involved in any of those discussions? What did you say to that request?

**Mr. Rainer Beltzner:** As I recall, the request came through—the request went to Dr. Mazza, because it was the founders’ equity plan, which is part of OGMI, and Dr. Mazza is the principal shareholder of OGMI. The request went to him; he refused the request, and that was it.

**Ms. Helena Jaczek:** When you say “OGMI,” it’s Ornge Global Management Inc. Is that—

**Mr. Rainer Beltzner:** Correct.

**Ms. Helena Jaczek:** Do you have a question?

**Ms. Dipika Damerla:** Yes, I do. Thank you, Mr. Beltzner. I’ve been following these proceedings, and I also was there when some of the other directors were asked questions. What I heard from a lot of the other directors was a certain sense of regret that, you know—

**Mr. Rainer Beltzner:** Sorry?

**Ms. Dipika Damerla:** A certain sense of regret that things could have been different. I have to be honest: I haven’t heard that from you at all today—not in your, I guess, formal submission earlier on and the exchanges that have been going on. So I thought I’d ask the question

directly. Do you regret anything at all in your time as chair of the board of Ornge in your various capacities? I guess there were a few boards.

**Mr. Rainer Beltzner:** Absolutely. There are lots of things I regret.

**Ms. Dipika Damerla:** Can you give me some examples of what you regret?

**Mr. Rainer Beltzner:** Well, having learned of apparently negative impacts—apparent negative impacts—to Ornge patients, I certainly regret that the information didn’t come to us on a timely basis and deeply enough for us to be able to deal with that. So I sincerely regret that.

**Ms. Dipika Damerla:** Let me rephrase that. I’m not talking about regret of circumstances but regret in terms of what you have done, your actions.

**Mr. Rainer Beltzner:** Well, as I said before in my testimony, knowing now some of the things that have come out, I certainly regret that I wasn’t able to deduce these things in the past. I’ve always thought of myself as being fairly conscientious, and I delve into details as necessary. I would say, though, that I don’t know that I could have done anything different. I just wish I could have, you know?

From that point of view, yes, I certainly regret what everybody has had to go through in the last couple of years. It’s a terrible thing: the impact on former employees of Ornge, the impact on Ontario patients, the impact on all of you, the impact on me personally and my former board members, alive and deceased.

I think Dr. Lester put it well: You spend a lot of time in your life trying to do the right thing, and this is something that my history will show. I spent a lot of years doing the absolute right thing to the best of my ability. I certainly regret that I wasn’t able to figure this out earlier—absolutely.

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**Ms. Dipika Damerla:** Let me ask you a more specific question. You’re an auditor; you’re a chartered accountant. Do you regret, for instance, submitting movie tickets—when you were on your various trips—to the taxpayer, given that you were already taking \$200,000 as a director’s fee? Do you regret that?

**Mr. Rainer Beltzner:** I don’t recall submitting movie tickets. I—

**Ms. Dipika Damerla:** But if you did—I mean, we have some records that show that you did.

**Mr. Rainer Beltzner:** You know, if I submitted an invoice for a muffin or—

**Ms. Dipika Damerla:** We’re talking movie tickets, not muffins.

**Mr. Rainer Beltzner:** I would regret that. Sure.

**Ms. Dipika Damerla:** You would regret that. So given that—I mean, you keep saying that you were a good steward. But it shows a lapse of judgment that you would ding the taxpayer, frankly, for something as small as movie tickets. That’s—

**Mr. Rainer Beltzner:** Well, just—

**Ms. Dipika Damerla:** Let me finish. Let me finish.



**Mr. Rainer Beltzner:** No, no. Before you finish, you're making an accusation that I dinged the taxpayer for movie tickets. Maybe I did; maybe I didn't. But I honestly don't recall that I did. If you can show me an expense report that I submitted that had a movie ticket on it, I'd be pleased to say that I regret that. But I don't recall that, honestly.

**Ms. Dipika Damerla:** Okay. Let's just move on. I just want to go back to the whole idea—earlier in your testimony, I heard you say that of the 1,500 hours in the last year that you spent on board work, the bulk of it was on the not-for-profit area. That's what I heard.

**Mr. Rainer Beltzner:** A lot of it was on the charities: Ornge, Ornge Foundation and so on.

**Ms. Dipika Damerla:** Given that the bulk of your time was for not-for-profit activities, how do you justify a \$200,000 director's fee for the for-profit organization where you spent, according to your own testimony, very little time?

**Mr. Rainer Beltzner:** Well, I didn't say I spent very little time. I spent a considerable amount of time. My time is very adequately recorded in the board minutes, where I attended every board meeting, every committee meeting. I think it's fair to say that if my attendance wasn't darn near 99.9%, it would be unusual, and there were a lot of meetings.

My time is also very well spelled out in the invoices that I sent for additional fees at \$250 an hour for specific duties, as requested—not padded, not overinflated—and lots of time that I provided to promote Ornge, to raise funds for Ornge, so I don't understand.

**Ms. Dipika Damerla:** How many board meetings for the for-profit entity would there have been in that one-year period?

**Mr. Rainer Beltzner:** At a minimum, you would have four board meetings, four meetings of the operations committee, four meetings of the compensation and governance committee, four meetings of the finance committee.

**Ms. Dipika Damerla:** All on different dates, or same day but just different meetings?

**Mr. Rainer Beltzner:** They would go over continuing days. It's not always possible. For example, obviously, you couldn't have an operations committee meeting and a finance committee meeting the same day as a board meeting. It just didn't make sense because you need to kind of deal with information change and so on.

The meetings were scheduled as information was best available through dealings with the board secretary and so on.

**Ms. Dipika Damerla:** I'm just wondering why you needed four compensation meetings. It sort of speaks to your priorities, I guess.

**Mr. Rainer Beltzner:** Well, it does, because, if you recall—or you may not recall—compensation included the rather difficult matters of union negotiations. Quite a number of the staff at the organization were part of CAW, OPSEU and then the other organization I can't remember that deals with pilots.

In particular, there were some periods of time when there were extensive negotiations going on between Rhoda Beecher, who represented the company, and the various unions that impacted all of the companies. So the board, through the governance and compensation committee, received, as necessary, quite a number of updates and updates on the issues that were there.

I can tell you, the most difficult of those issues had to deal with paramedics and their union, simply—

**Ms. Dipika Damerla:** I get the drift, yes.

**Mr. Rainer Beltzner:** You get the idea.

**Ms. Dipika Damerla:** Yes. I'm just going to move on to the idea of using taxpayer dollars to fund a for-profit organization. I know you keep saying the money came through the performance agreement, and technically you're right. But at the end of the day, the money that came through the performance agreement is taxes that I paid and probably you paid.

**Mr. Rainer Beltzner:** Right.

**Ms. Dipika Damerla:** So I'm just wondering, as a chartered accountant, as a trained accountant—surely there's a Chinese wall. You have the for-profit; you have the not-for-profit. The taxpayer funds the not-for-profit in socialized medicine. Now we're moving into a territory of for-profit. Given your fiscal, fiduciary background, why would you authorize the flow of taxpayer dollars to a high-risk venture in the for-profit world instead of going to the markets for seed money?

**Mr. Rainer Beltzner:** Well, we essentially went to the market for that high-risk venture. When we initially created the two for-profits, Ornge Peel and Ornge Air, Ornge Peel was initially created as a for-profit in order to give the company—Ornge—or the group the flexibility to conduct management consulting, paramedic training for others and to flow those monies back into the operation. At the time—

**Ms. Dipika Damerla:** No, I get the intent. I'm asking, why would taxpayer dollars be used? I'm just trying to understand. Were you a good steward of taxpayer dollars, to move money to a for-profit venture? That's all I want to know, not what your company was going to do and the great plans—just ideologically, or philosophically.

**Mr. Rainer Beltzner:** Well, I would just rephrase the question and say there's nothing wrong with having services delivered from a for-profit entity as long as the profits from that entity revert back.

**Ms. Dipika Damerla:** Right. So, all over again, you would have no problem, if you were in a similar position, flowing taxpayer dollars to a for-profit entity? That's what you're telling me.

**Mr. Rainer Beltzner:** For a wholly owned and controlled for-profit entity, I can see—

**Ms. Dipika Damerla:** So no lessons have been learned here?

**Mr. Rainer Beltzner:** Well, certainly some lessons have been learned. I mean, certainly, as I said in my testimony, I would certainly suggest that the performance agreement that was signed back in 2005-06—you know, I don't think it was the best agreement.



**Ms. Dipika Damerla:** Yes.

**Mr. Rainer Beltzner:** There were a number of suggestions made in 2007-08 to have that agreement amended. I would repeat: I don't understand why that agreement was not amended by government. Certainly, government had the right to amend the agreement, and so it's just—you know, I can't say anything more about that.

**Ms. Dipika Damerla:** Yes. All right, thank you very much.

**Mr. Rainer Beltzner:** Okay.

**The Chair (Mr. Norm Miller):** Thank you very much for coming before the committee again, Mr. Beltzner.

This meeting is adjourned.

*The committee adjourned at 1458.*





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Mr. Toby Barrett (Haldimand–Norfolk PC)

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Mr. Frank Klees (Newmarket–Aurora PC)

#### **Also taking part / Autres participants et participantes**

Mr. Gary Peall, Deputy Auditor General

Mr. Lincoln Caylor, counsel, Bennett Jones

#### **Clerk / Greffier**

Mr. William Short

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ISSN 1180-4327

## Legislative Assembly of Ontario

Second Session, 40<sup>th</sup> Parliament

## Assemblée législative de l'Ontario

Deuxième session, 40<sup>e</sup> législature

# Official Report of Debates (Hansard)

Wednesday 8 May 2013

# Journal des débats (Hansard)

Mercredi 8 mai 2013

## Standing Committee on Public Accounts

Special report, Auditor General:  
Ornge Air Ambulance and  
Related Services

## Comité permanent des comptes publics

Rapport spécial, vérificateur  
général : Services d'ambulance  
aérienne et services connexes  
d'Ornge



Chair: Norm Miller  
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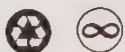
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## LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON  
PUBLIC ACCOUNTS

Wednesday 8 May 2013

*The committee met at 1233 in room 151, following a closed session.*

SPECIAL REPORT, AUDITOR GENERAL:  
ORNGE AIR AMBULANCE  
AND RELATED SERVICES

**The Chair (Mr. Norm Miller):** Okay, I shall call the committee to order. Just before we start with our first witness, I wanted to get authorization from the committee to send a letter to the Speaker, the chair of the Board of Internal Economy, with regard to the Canadian Council of Public Accounts Committees meeting in Regina, Saskatchewan from August 25 to 27, 2013. Is that agreed by the committee?

**Ms. Helena Jaczek:** Agreed.

**Mr. Frank Klees:** Agreed.

**The Chair (Mr. Norm Miller):** Okay, it's agreed.

MINISTRY OF HEALTH  
AND LONG-TERM CARE

**The Chair (Mr. Norm Miller):** I'd like to invite Mr. Richard Jackson, director of emergency health services land-air, direct services division, Ministry of Health and Long-Term Care.

Our Clerk is looking for something behind me; probably the affirmation, I assume.

**Mr. Frank Klees:** Chair, are we going in 20-minute rotations?

**The Chair (Mr. Norm Miller):** Sure. We'll do 20-minute rotations and then see how much time we have. We have until 2 o'clock with Mr. Jackson.

**The Clerk of the Committee (Mr. William Short):** Mr. Jackson, if you would just raise your right hand, please? Mr. Jackson, do you solemnly affirm that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth?

**Mr. Richard Jackson:** I do.

**The Clerk of the Committee (Mr. William Short):** Thank you.

**The Chair (Mr. Norm Miller):** You have up to 10 minutes for an opening statement, if you wish to make one.

**The Clerk of the Committee (Mr. William Short):** Fifteen.

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES  
COMPTES PUBLICS

Mercredi 8 mai 2013

**The Chair (Mr. Norm Miller):** Fifteen? Sorry; 15 minutes.

**Mr. Richard Jackson:** Can people hear me?

**The Chair (Mr. Norm Miller):** Yes, I believe so. If we need you to speak up, I'll interrupt.

**Mr. Richard Jackson:** Good afternoon. My name is Richard Jackson. In my opening remarks, I would like to first briefly provide committee members with an overview of my career in the Ontario public service and then provide the committee with updates of actions the ministry has taken to improve the oversight of air ambulance and related services provided by Ornge.

I am the director of the air ambulance program oversight branch, a position I have held since July 2012, when the branch was established. In April of this year, I was appointed to the position of the director of the emergency health services branch. Consequently, I am now accountable for the oversight and regulation of land and air ambulance services in Ontario.

I have devoted my career to public service. I joined the OPS in 1982 and have held several senior management positions with several ministries. From 2009 to 2012, I was the Toronto regional director for the Ministry of Community and Social Services and the Ministry of Children and Youth Services. Previously, I have held several senior positions with the Ministry of Training, Colleges and Universities, including the Ontario Student Assistance Program director, the Superintendent of Private Career Colleges, the executive assistant to the deputy minister and the finance manager with the colleges branch.

I have taken on the responsibility to lead air ambulance program oversight because I wanted to make a positive contribution in ensuring Ontarians requiring critically important medical transport services receive the best possible care and that these services are delivered in an accountable and transparent fashion on behalf of Ontarians.

I would now like to provide the committee members with updates on the work we are doing to improve the oversight of services provided by Ornge. In establishing an enhanced oversight regime for air ambulance services, the ministry's key objectives are to ensure patient care and patient safety standards are met and that financial accountability and public transparency are enhanced in the delivery of the vital services Ornge provides that Ontarians pay for and that Ontarians expect.



Our work is guided by the detailed recommendations made by the Auditor General in his special report on air ambulance and related services, as well as the terms and conditions of the amended performance agreement that was ratified by the Minister of Health and Long-Term Care, Ornge's interim president and CEO and the chair of Ornge's board of directors on March 19, 2012.

The amended performance agreement has strengthened accountability and transparency in the delivery of air ambulance services. The amended agreement makes patient care and aviation safety paramount, and we are ensuring that Ornge is delivering against these requirements.

I would like to outline for the committee members examples of the enhanced oversight provisions that are in place as a result of the amended agreement. In response to the Auditor General's recommendations, the amended performance agreement contains additional key performance indicators and increased reporting requirements. The amended agreement outlines principles that Ornge must follow in providing the services outlined in the performance agreement. I would specifically note that Ornge's operations must operate on a not-for-profit basis. The amended agreement contains several elements relating to quality improvement and patient relations that mirror the requirements of the Excellent Care for All Act, which applies to public hospitals in Ontario. These provisions include a quality committee, patient satisfaction surveys, a patient relations process including a patient complaints process and a patient advocate function, a patient declaration of values, and annual quality improvement plans.

Under the amended agreement, a number of actions by Ornge require the ministry's prior approval. These include the purchase of real estate, incurring debt, the sale of assets as well as any changes to Ornge's corporate structure. Ornge is required to post a broad range of information on its website, including its complaints process, its quality improvement plan and its conflict-of-interest policies.

The performance agreement outlines the comprehensive range of air ambulance services and related services that Ornge provides. The services the provincial government funds Ornge to provide include dispatching services for air and critical care land ambulances, the provision of air and critical care land ambulance services for inter-facility transfers and on-scene calls, coordinating organ transplant recovery flights in response to requests from the Trillium Gift of Life Network, operating the provincial transportation authorization centre to provide medical transfer authorization numbers for inter-facility transfers between Ontario hospitals, and a range of base hospital services, including medical direction, medical advice, paramedic certification and training, quality assurance, continuing medical education, and guidance and authority for patient care interventions to ambulance paramedics.

1240

Through formalized monthly meetings and regular daily contact with senior officials, we have established a

productive working relationship with Ornge that has enhanced transparency with the service provider.

Our role is further enhanced through my participation as the ministry representative in a non-voting capacity on two of Ornge's board subcommittees: the quality of care committee and the operations committee.

The role of the operations committee is to assist the board of directors to fulfill its oversight responsibilities for the quality of service delivered by aviation services in the operations control centre.

The role of the quality of care committee is to assist the board of directors to fulfill its oversight responsibilities for the quality of patient care and patient safety.

One of the key deliverables of the quality of care committee was the development of Ornge's first quality improvement plan. The quality improvement plan identifies five key priorities: (1) excellence in medical care, by delivering the best possible care to patients; (2) highly skilled staff, by ensuring that front-line paramedics and operations control staff have high-quality knowledge and skills; (3) safety, both with respect to aviation safety and workplace safety; (4) staffing and transport, through having the right medical crew, the right vehicle for transport and the appropriate level of care at the right time to transport patients; and (5) urgency according to need, through the ability to respond as quickly as possible to requests for medical transport.

Based on these priorities, a series of measurable objectives were identified and benchmarked, with quality improvement targets established and publicly reported.

I would like to inform committee members that in November 2012 Ornge met the Ambulance Act certification requirements for their air ambulance and critical care land ambulance programs. Ornge's ambulance service operator certificate for these two programs is now valid until December 2015.

Under ministry leadership, the review team that conducted Ornge's certification review was comprised of an emergency medical physician, a base hospital manager, senior EMS officials and paramedics from other municipal EMS providers.

The recertification review assesses whether a service provider has procedures in place to ensure that the delivery of ambulance services, including compliance with applicable patient care legislation and standards, is being met.

I would also advise the committee that from February 2012 to April 2013, Ornge's bases and standing-agreement aircraft carriers contracted by Ornge have been subject to 15 unannounced inspections by ministry staff. I can assure committee members that we will continue our practice of unannounced inspections to ensure ongoing compliance with ambulance certification standards.

Another aspect of our work to ensure that patient safety, care and standards are met is through investigations that the ministry conducts in response to complaints received about potential contraventions of patient care standards. Findings from these investigations are provided to the ambulance service provider, and they are re-



quired to provide responses to the ministry to address the findings from these investigations.

We receive daily availability reports and issue summaries from Ornge that enable the ministry to monitor their performance against quality improvement plan targets and service delivery expectations.

Through ongoing analysis of the information in these reports, the ministry has a detailed understanding of Ornge's operations: for example, the number of ambulance transport requests, the number of transports provided, and the availability of paramedics, pilots and aircraft by individual base. The information in these reports is critical in understanding the level of service provided by Ornge and identifying areas that require attention and improvement.

The ministry has gained an in-depth understanding of Ornge's program expenditures and use of government funding through the successful completion of Ornge's 2013-14 zero-based budget submission. Article 5 of the amended performance agreement describes zero-based budgeting as a budget methodology in which "all expenses for every function must be justified for each funding year, based upon an analysis of needs." This methodology quantifies Ornge's expenditures by service, for example, how much is being spent on air ambulance, critical care land ambulance, organ transplant recovery; by location; by individual base and head office; and the type of expenditure, be they salaries, fuel, medical supplies, training etc.

The zero-based budgeting requirement is an enhancement to the budget monitoring and quarterly reviews and variance analysis required of all agencies and organizations receiving funding from the provincial government. Through the zero-based budget methodology and ongoing quarterly reporting and monitoring, the ministry is able to determine how much each service provided by Ornge costs, and that the funding provided to Ornge is being used for its intended purposes.

The ministry has developed operational policy to implement key elements of the performance agreement, including the ministry approval process for the sale and lease of assets to ensure that Ornge achieves value for money in instances where these assets that are not required to deliver ambulance services can be disposed of. This process was used to approve Ornge's request to sell two never-used AW139 aircraft that were sold in April 2013.

The ministry has also completed a detailed review of the cost and recruitment and training strategy of Ornge's proposal to add a third team of paramedics at its Thunder Bay base, which was approved and announced in January 2013. Later this month, a third team of paramedics will be deployed in Thunder Bay for the day shift, and by November, a third team of paramedics will be deployed for the night shift.

As a result, Ornge's three aircraft in Thunder Bay, two fixed-wing aircraft and one rotary-wing aircraft, will be staffed by paramedics for the first time on a 24/7 basis. Previously, there had been two teams of paramedics to be deployed on the three available aircraft.

As part of the ministry's response to the Auditor General's recommendations, the ministry has contracted Deloitte to conduct a review of Ornge's critical care land ambulance program to assess the current demand for critical care land ambulance transports in Ontario and determine whether the program is cost-effectively meeting the needs of the facilities that patients are being transferred between. Work on this review was initiated in February 2013. Data-gathering and stakeholder consultations are presently under way. The final report and recommendations are on track for completion in June of this year. The report's recommendations will guide future ministry decisions on the delivery of critical care land ambulance services.

I would also like to advise the committee of additional audit work that the health audit services team is presently taking to assist the ministry in our oversight of Ornge. The audit is focusing on board governance and accountability, Ornge's processes for preparing reports that facilitate transparency of Ornge's operations to the ministry and Ornge's compliance with broader public sector directives. The scope of this audit focuses on the period from April 1, 2012, to January 31, 2013. The audit team commenced their field work on February 25 and their final report is expected to be completed by July 2013.

In closing, I am confident that the ministry has and will continue to take positive steps forward to ensure that patient care and patient safety standards are achieved, and that financial accountability and public transparency are enhanced to ensure that Ornge delivers the vitally important services that Ontarians pay for and expect.

I also know from my regular interaction with senior Ornge officials and board members that they are committed to delivering the highest-quality ambulance services in an accountable and transparent fashion, and they are taking action to deliver on this important commitment.

I welcome the opportunity to respond to questions you will have.

**The Chair (Mr. Norm Miller):** Thank you for that opening statement. We'll go the opposition first. Mr. Klees.

1250

**Mr. Frank Klees:** Mr. Jackson, thank you for joining us today. So you are the new Malcolm Bates.

**Mr. Richard Jackson:** I think I am sometimes described that way.

**Mr. Frank Klees:** I understand that you are both the director of the emergency health services branch as well as the director of the air ambulance oversight program?

**Mr. Richard Jackson:** Correct.

**Mr. Frank Klees:** Can I ask you, how many staff do you have on the air ambulance oversight program supporting you in that function?

**Mr. Richard Jackson:** I have six staff that are fully dedicated to the air ambulance program oversight role: four senior program advisers, a program adviser and an administrative assistant.

Our work is assisted by staff in the emergency health services branch from a certification and investigations



perspective, as well as assistance that is provided and work that is done in respect to financial analysis of the material that we receive from Ornge.

Our team is also augmented by legal counsel as required and in instances, as I mentioned at the close of my remarks, where we are engaging the health audit services team to assist us in our mandate.

**Mr. Frank Klees:** Okay. What experience do you have in air ambulance or land ambulance?

**Mr. Richard Jackson:** Prior to taking on this responsibility in July 2012, I did not have experience with air or land ambulance. I had considerable experience, and I will speak to this, in terms of the role that I played as the regional director at the Ministry of Community and Social Services and the Ministry of Children and Youth Services, where we were responsible for ensuring that a wide range of transfer payment agencies—be they developmental service agencies, children's aid societies, or children and youth mental health agencies—were delivering upon their requirements. I would also—

**Mr. Frank Klees:** Thank you.

**Mr. Richard Jackson:** Could I just—

**Mr. Frank Klees:** I'll tell you, I'm really interested to know specifically about your experience in air ambulance and land ambulance. As you indicated, you had no experience there before you took on this job.

Of the six individuals who are obviously your key support people, I see Steven Haddad, Susan Sue-Chan, Meena Deol, Enan Hoque and Isabelle Jones. Are those your key people? This is from your website.

**Mr. Richard Jackson:** Yes, that's from Info-GO. It's not quite up to date in terms of the staff members there. The staff members that work with me on this initiative bring a depth and breadth of experience in transfer payment oversight—

**Mr. Frank Klees:** All right. Mr. Jackson, I'm going to ask you to allow me to ask the questions. Okay?

**Mr. Richard Jackson:** I'm quite happy to do that, sir. Sorry.

**Mr. Frank Klees:** We have a limited period of time, and there are a number of things we'd like to get to.

Did any of these six people, before they were hired into the oversight program, have any experience whatsoever in either air ambulance or land ambulance, yes or no?

**Mr. Richard Jackson:** No, they did not.

**Mr. Frank Klees:** No. The emergency health services branch had a dedicated unit of people that worked in the air ambulance and land ambulance section but specifically, we're focused here on air ambulance—extensive experience; they worked under Malcolm Bates. Were any of those people who were in the existing emergency health services branch invited to join this oversight program?

**Mr. Richard Jackson:** They were not invited to join this branch. We—

**Mr. Frank Klees:** They were not invited?

**Mr. Richard Jackson:** They were not.

**Mr. Frank Klees:** Okay.

**Mr. Richard Jackson:** That group of people work closely with my staff, and as I said—not as I said, but there's a strong partnership between the two branches. There's—

**Mr. Frank Klees:** Who hired the staff that you do have in the oversight program?

**Mr. Richard Jackson:** I hired the staff.

**Mr. Frank Klees:** You did. And who do you report to directly?

**Mr. Richard Jackson:** I report to Patricia Li, who is the assistant deputy minister in the direct services division.

**Mr. Frank Klees:** And she would have been the individual who was in charge of the emergency health services branch that Malcolm Bates reported to when he was a director. Is that correct?

**Mr. Richard Jackson:** That would be correct.

**Mr. Frank Klees:** And she would be the same individual who—I suppose we can put this—had oversight responsibility of emergency health services and, indirectly, of Ornge when Ornge went off the rails. Is that correct?

**Mr. Richard Jackson:** I don't know the specific date that Patricia took on that role. I can't equate to when Ornge went off the rails, but certainly, when the Auditor General was doing his work, Patricia would have been the assistant deputy minister.

**The Chair (Mr. Norm Miller):** And I'm just going to interrupt. If you don't mind moving the microphone down a bit and speaking a little bit louder. Some of the members are having a little difficulty hearing.

**Mr. Richard Jackson:** Okay.

**The Chair (Mr. Norm Miller):** Thank you.

**Mr. Frank Klees:** I'd like to move to the amended performance agreement. You have some documentation in front of you that I presented and I distributed to the members of the committee as well.

Before we get to that, I'm assuming that you're familiar with the troubles that were brewing at Ornge in terms of the siphoning of millions of tax dollars, health care dollars into for-profit companies, undermining, as a result of that, the core mandate of Ornge to deliver emergency air ambulance service, and the down-staffing that took place of paramedics as well as pilots. You're fully briefed and you have a good understanding of that—

**Mr. Richard Jackson:** Yes, I am aware.

**Mr. Frank Klees:** I found it interesting, in your opening statement, when you referred to the amended performance agreement. I believe the term you used is that it now provides additional oversight authority. Can I ask you to tell us specifically what parts or clauses of the performance agreement provide that enhanced oversight authority?

**Mr. Richard Jackson:** I would refer you to—and I appreciate that you've provided me a copy of this prior to sitting down—the depth and breadth of requirements that are outlined in schedule A and schedule B of the agreement, in addition to the reporting requirements, the heightened attention to and emphasis on quality, the requirement of a quality improvement plan, the require-



ment that there actually be a quality committee of the board. We also have the ability, where we are taking a look at any—as I indicated in my opening remarks, approval of the sale of particular assets above a specific level and to put in rigorous processes to evaluate that.

**Mr. Frank Klees:** Schedule A lists some 14 reports that Ornge is required to deliver to you, to the ministry, on a monthly basis. Have you been receiving those reports?

**Mr. Richard Jackson:** The short answer is yes.

**Mr. Frank Klees:** All of them?

**Mr. Richard Jackson:** I'll clarify—

**Mr. Frank Klees:** No. Again, if you wouldn't mind working with me. I'd like to ask the questions because there's a reason for them. If you could respond to the questions and then we'll move on. Okay?

**Mr. Richard Jackson:** Okay.

**Mr. Frank Klees:** Have you been receiving all of these 14 reports, as requested, on a monthly basis?

**Mr. Richard Jackson:** Yes, and there are actually more than 14 reports, but—

**Mr. Frank Klees:** Okay. How do you receive those? Are they addressed to you? Do you receive them, or who takes them in?

**Mr. Richard Jackson:** They're provided to us. We have a SharePoint site with Ornge where that documentation is filed by Ornge on the SharePoint site and we are made aware when it is.

**Mr. Frank Klees:** Who analyzes the reports?

**Mr. Richard Jackson:** The people who work in the air ambulance program oversight branch.

**Mr. Frank Klees:** Do you distribute the specific reports to different individuals?

**Mr. Richard Jackson:** Yes is the short answer to that.

**Mr. Frank Klees:** Can you tell us who analyzes which reports?

**Mr. Richard Jackson:** I couldn't give you a specific crosswalk at this point between report and staff member examining this. I'd be happy to provide that information to the committee.

**Mr. Frank Klees:** Okay, if you could do that.

**Mr. Richard Jackson:** Yes.

**Mr. Frank Klees:** Once they're analyzed by your staff, what happens?

**Mr. Richard Jackson:** For the seven months that we—first off, we've been receiving these reports on a monthly basis since August. We have spent the third quarter and fourth quarter having a full understanding, from a benchmarking perspective, of where Ornge is in delivering upon these particular requirements.

1300

When we see that there are challenges with certain service levels being maintained, we would be in touch with Ornge and in contact with Ornge to have an understanding of what is transpiring and what steps they are taking to address those issues.

**Mr. Frank Klees:** Specifically, you indicate—of course, we're all primarily concerned about the patient care aspect of the service. We know that there were ser-

ious problems at Ornge in terms of meeting the standards. Of the reports that you've been receiving, let's just deal with the last three months. You indicate that you deal with them on a quarterly basis. Over the last quarter, can you tell us, in terms of the patient care issues, how many of the reports that you receive deal specifically with patient care standards?

**Mr. Richard Jackson:** In terms of the reports that deal with patient care, we would be receiving—I'll speak first at a general level. We receive reports that will provide us with information on a daily basis on the number of paramedics at each base and the level of care that those paramedics have the ability to provide, be they critical care paramedics, advanced care paramedics or primary care paramedics.

**Mr. Frank Klees:** Over the last quarter, can you tell us what the average resource availability has been across the service?

**Mr. Richard Jackson:** Yes. Ornge's air and land bases—they have nine air bases and four land bases. There have been two or more paramedics on staff 96% of the time.

**Mr. Frank Klees:** What about pilots?

**Mr. Richard Jackson:** Pilots, for that same time period: 97% of the time. The aircraft were available 98.7% of the time.

**Mr. Jagmeet Singh:** Sorry, what was the last answer?

**Mr. Richard Jackson:** With respect to aircraft, 98.7% of the time.

**Mr. Frank Klees:** I'd like to direct you to the resource availability report for March that was provided to this committee by Ornge directly. Are you familiar with this document?

**Mr. Richard Jackson:** Yes, I'm familiar with this document.

**Mr. Frank Klees:** When we look at the explanation of how this should be interpreted, it deals with all of the bases across Ontario and speaks to the availability of paramedics, pilots and then aircraft itself. It speaks to the out-of-service hours based on pilots, medics and aircraft.

If I can point you to section 3, which summarizes the combined numbers dealing with pilots, paramedics and aircraft, the last category, highlighted in bright yellow, refers to—the heading of that column is "Ability to Meet Target." For day shifts, the number that we see there is 63.8%. Do you see that?

**Mr. Richard Jackson:** Yes, I do.

**Mr. Frank Klees:** And the number for night shifts is 55.8% across the service.

**Mr. Richard Jackson:** Would you like me to provide you details of what that number actually represents? Sorry, I'm getting ahead of you.

**Mr. Frank Klees:** I was going to ask you that question.

**Mr. Richard Jackson:** What that number is talking about is a measurement of level of care. At Ornge's bases, with the exception of Moosonee, which is designated as a primary care base—in Kenora, that is an ad-



vanced care base. The other bases are designated as critical care paramedic level.

In a situation where there is a team of two paramedics on each shift, if both of those paramedics have the critical care certification, that is deemed to meet that target. If one of them is an advanced care paramedic and the other paramedic is a critical care paramedic, it is deemed to have met the critical care standard. If there are only two advanced care paramedics, they will not meet the critical care standard. That's what's being reflected in that number—not that there aren't two paramedics on duty, but that the certification level of those paramedics is not at the critical care level.

In Ornge's quality improvement plan, the target that they had established for themselves by March 2013—and it was first measured in this way in August—was set at 75%. When the benchmark for this was measured in August, it was at 54%.

By the end of Q4, so the January to March 31 period, those numbers—and you've got a number here for March—were 70.3%, against the target of 75%.

**Mr. Frank Klees:** So in the case of these circumstances that account for some 33% of the time, if in fact a call was to come in that required critical care paramedics in order to deal with that patient appropriately, we'd be out of luck, right?

**Mr. Richard Jackson:** No, we would not be out of luck. In the case of an inter-facility transport, which is the bulk of the work that Ornge would do, if there was a medical escort available to augment the team of paramedics, the call could be responded to that way.

I'll share a couple of other numbers with the committee to put this in—

**Mr. Frank Klees:** Before you do that, I'd like to just finish this section, okay?

**Mr. Richard Jackson:** Certainly.

**The Chair (Mr. Norm Miller):** You have three minutes left, Mr. Klees.

**Mr. Frank Klees:** Okay. I'll come back to deal with your issue in my next round, but I wanted to just deal with the issue of what it means when a base is not able to provide service because of either understaffing of paramedics or of pilots. You have an email in front of you that I received just yesterday. I'll read it into the record. Chair, if you could allow me—if I go over a couple of minutes here, you can pick them up on the next round.

This is dated yesterday. It reads as follows:

"Mr. Klees, my main concern is still the lack of accountability at Ornge. At the Moosonee base since March 15 there have been 44 shifts that have not been covered, mostly due to a lack of crews but some due to unserviceability of the aircraft. This says to me that the performance agreement is ineffective. Someone needs access to the out-of-service reports and they need to be verified as I do not trust Ornge to not be manipulating the books. The lack of crews is still due to qualified people not wanting to work for Ornge."

Here's what concerns me. Members of this committee know full well that we have been dealing and the Auditor

General had to deal with circumstances where information was being provided to the Ministry of Health by Ornge that was inaccurate. When Malcolm Bates was here testifying, he told us of the number of times that information was conveyed to him, to the ministry, by Ornge that was inaccurate.

We have very fancy documents here that have many numbers. What we see is that for 33% of the time, there weren't qualified paramedics available. This information that we have, which is substantiated in the resource availability account as well—that in some cases 5% of the time, 6% of the time, an aircraft was not available or the call couldn't be made because of under-resourcing of the base. For every 1%, we're told, it's some—in fact, we have a table here that I'll refer to you as well. It's headed "Dispatch Reliability." Again, I'll review this with you in more detail in the next round.

1310

**The Chair (Mr. Norm Miller):** You may not have enough next round—

**Mr. Frank Klees:** I think we will.

The fact is that for each percentage point less than 100%—that represents some 87.6 hours of aircraft time that is not available. That has serious implications to patient care. My concern is, are you simply relying on information that you're getting from Ornge or are you fact-checking Ornge, and if so, how are you doing that?

**Mr. Richard Jackson:** I'd say there are a few questions. Do I have time, Chair, to respond to that?

**The Chair (Mr. Norm Miller):** No, he's pretty much out of time, but you can answer as you feel. If you'd like to answer him, well—

**Mr. Richard Jackson:** So what I would say in terms of how we are verifying that information is we have a team from our health audit services team at Ornge right now reviewing the data sources of that information so that when these reports come to us, we can actually rely on the validity of the information. I don't, at this point, have any reason to expect that this information is not being provided to us on an accurate basis.

One way—and it's part of a tool kit of approaches—is that when unannounced inspections are done at bases, ministry staff who attend at that base can see: Are the people who are there, who are reported to us, supposedly there? And we've seen no indication that that has not been the case.

In terms of the hours of service, on any given day, between Ornge's nine air bases and four land bases, there are 348 hours of service available. Certainly, 1% is critically important, but if they're down for 1% of the time in one day, we're talking about three and a half hours out of that 348 hours that are available for service by Ornge's 13 bases.

The other number that I think is important to share with the committee is that in 2012-13, Ornge received 25,292 calls for transport. Of that total, 51 were not able to be responded to because the aircraft was not available and 130 were not able to be responded to at that point in time because the pilot or the paramedics were not available.



**Mr. Frank Klees:** Is that acceptable?

**Mr. Richard Jackson:** The target that the ministry would expect, and Ornge would be expecting, is that it should be 100%, that there shouldn't be 130 and there shouldn't be 51. It is less than 1%, but it's a critical 1%. Every transport that happens is a potentially critical transport.

**The Chair (Mr. Norm Miller):** Okay, and we'll have to move on to the NDP. Mr. Singh?

**Mr. Jagmeet Singh:** Thank you. Good afternoon. Just so I understand, you were asked some questions about your previous experience with respect to air ambulance. You indicated you didn't have any. Just briefly, how long have you been at the Ministry of Health in total, then? That specific ministry.

**Mr. Richard Jackson:** I joined the Ministry of Health in July 2012.

**Mr. Jagmeet Singh:** And before that you indicated you were in the Ministry of—

**Mr. Richard Jackson:**—community and social services and children and youth services.

**Mr. Jagmeet Singh:** Okay. How long were you at that ministry for?

**Mr. Richard Jackson:** I was there from 2009 to 2012.

**Mr. Jagmeet Singh:** In terms of the problems at Ornge, were you aware of any of those as they occurred, or that wasn't a part of your ministry so you weren't aware of them?

**Mr. Richard Jackson:** I would have followed what was going on in the press and in hearings before this committee as an interested member of the public.

**Mr. Jagmeet Singh:** Specific to the previous performance agreement, you didn't have any ministry-level experience?

**Mr. Richard Jackson:** Correct.

**Mr. Jagmeet Singh:** If I was to ask you to distinguish between the two performance agreements in a specific way, would you be able to do that? What makes one substantially different or not from the other?

**Mr. Richard Jackson:** For the purposes of my answer, I could talk about it in general terms. We can certainly provide the committee a table that contrasts the terms and conditions of each element, what is new. But from a general perspective, it is a heightened type of information being provided to us so that we can see first-hand what is going on at Ornge and if they are actually delivering upon the expectations that we would have.

**Mr. Jagmeet Singh:** Okay. Do you have experience with performance agreements in general in other health care providers and other health care organizations?

**Mr. Richard Jackson:** I have experience in transfer payment accountability and service contracts with children and youth mental health agencies, developmental service agencies, child care centres, colleges and universities, and private career colleges.

**Mr. Jagmeet Singh:** In terms of performance agreements, would you be able to compare performance agreements?

**Mr. Richard Jackson:** I'm not aware of a performance agreement that goes into this level of detail in terms of expectations in any of the sectors that I've worked in.

**Mr. Jagmeet Singh:** Sorry. Just to clarify, I'm asking if you've had experience with a performance agreement that you can compare. I have a question based on that.

**Mr. Richard Jackson:** My answer is I actually don't have that experience because this level of performance agreement does not exist in the sectors that I've worked in. There are service contracts that talk about specific deliverables against certain objectives and the amount of funding that will be provided and what the outcomes of that would be.

**Mr. Jagmeet Singh:** Sure. I'm going to ask you now about your role in supervising or providing oversight for Ornge. Are you involved in the issue of salary disclosure and oversight or transparency with respect to that?

**Mr. Richard Jackson:** I'm not specifically responsible for the salary disclosure process that happens at organizations and agencies that are subject to public sector salary disclosure; that is done by another area of the ministry. But I am cognizant of Ornge's salary disclosure.

**Mr. Jagmeet Singh:** Okay. So I guess in that informal way, are you aware with certainty, one way or the other, if Ornge is now disclosing all the salaries of their staff in terms of meeting the sunshine list requirements?

**Mr. Richard Jackson:** In terms of meeting the sunshine list requirements, one of the specific aspects, as I understand it, is for employees of any organization—at Ornge there are certainly people still in the situation where, although the organization itself is not working on a for-profit basis, they are assigned to a for-profit corporation—

**Mr. Jagmeet Singh:** But do you know for certain, one way or the other, if they're all disclosing their salaries or not?

**Mr. Richard Jackson:** I do not know if those would all be disclosed.

**Mr. Jagmeet Singh:** Sure. In terms of your contact with Ornge, you receive reports; some of those reports are annual and some of those reports are monthly. Is that correct so far?

**Mr. Richard Jackson:** Monthly, weekly, daily.

**Mr. Jagmeet Singh:** And there are some other reports that are weekly as well?

**Mr. Richard Jackson:** Yes.

**Mr. Jagmeet Singh:** Is there a daily contact with Ornge that you maintain?

**Mr. Richard Jackson:** Rarely a day goes by that I or a member of my staff do not speak to a senior person at Ornge about whatever the matter of the day would be.

**Mr. Jagmeet Singh:** Okay. Let's talk about perhaps one week's time. How much contact would you have with Ornge in terms of reporting or communication by phone or meetings with Ornge? Just roughly, how often does that happen in a given week?

**Mr. Richard Jackson:** Myself personally?

**Mr. Jagmeet Singh:** You and your team.



**Mr. Richard Jackson:** Twenty to 25 hours a week.  
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**Mr. Jagmeet Singh:** Okay. And what are the different things that happen in those 20 to 25 hours?

**Mr. Richard Jackson:** Well, every morning at 7 o'clock, we receive a report on transports that Ornge conducted over the previous day. In that report, there are specific references and—a transport was conducted or not conducted, and what the reason for that was.

**Mr. Jagmeet Singh:** Sure. Let me just—

**Mr. Richard Jackson:** We would then follow up, if there seemed to be some anomaly. If I was to take a Moosonee example, sometimes the helicopter can't fly in Moosonee in the wintertime because the temperature is below minus 30 degrees centigrade and the helicopter's certifications do not allow it to be flown—

**Mr. Jagmeet Singh:** Thank you so much. Let me just clarify some of that. So one of the things you receive is reports in the 25 hours. What else besides reports?

**Mr. Richard Jackson:** What else inside of reports—

**Mr. Jagmeet Singh:** No, besides reports.

**Mr. Richard Jackson:** Besides reports.

**Mr. Jagmeet Singh:** Meetings, or it can be phone call communication.

**Mr. Richard Jackson:** We have a regular weekly meeting with Ornge where we review the progress that is being made against findings that have been identified from specific investigation reports and the steps they have taken to address those findings. That would be a contact.

**Mr. Jagmeet Singh:** Sure.

**Mr. Richard Jackson:** If in the case of—I mentioned the evaluation that we did of Ornge's proposal to staff a third team of paramedics in Thunder Bay—considerable daily contact, meetings, to have an understanding of what that proposal was and when those resources would actually be on the ground to be delivered.

We would be doing quarterly financial analysis: What is the reason for the variance in the expenditure on that particular line? We meet with them formally, monthly, to talk about broader strategic initiatives.

**Mr. Jagmeet Singh:** Let's talk about—just so that I have a bit of a comparison, we'll talk a bit about the financial work that you do. Are there other ambulance organizations or other providers that you deal with in addition to Ornge?

**Mr. Richard Jackson:** Up until the beginning of April, when I became the director of the emergency health services branch, there would be rare instances where I would have contact with other ambulance providers in the province.

**Mr. Jagmeet Singh:** And now, moving forward, is that the same case?

**Mr. Richard Jackson:** Moving forward, I would fully expect to have much more regular contact with emergency EMS chiefs across this province. I'm speaking at their conference next Wednesday. I've had discussions already with the chair of the Ontario Association of Para-

medic Chiefs, and we'll be building that working relationship with that group.

**Mr. Jagmeet Singh:** Do you have other organizations that report to you and provide you with feedback in terms of their service—and oversight over them as well? Besides Ornge.

**Mr. Richard Jackson:** Besides Ornge, in terms of the other ambulance providers in Ontario, there would be certainly a regular contact between staff in the emergency health services branch and those providers.

**Mr. Jagmeet Singh:** Pardon me?

**Mr. Richard Jackson:** Within the emergency health services branch, in terms of their regulatory and oversight role of all ambulance service providers, there would be regular contact with staff in that branch.

**Mr. Jagmeet Singh:** Do you, though, have regular contact with other organizations besides Ornge?

**Mr. Richard Jackson:** As I said, I've started, in my new role, to broaden the group of people that I work with, because I now have a broader—

**Mr. Jagmeet Singh:** So it's kind of like—do you do that then? Do you meet—

**Mr. Richard Jackson:** Yes. I'm in the process of doing that, yes.

**Mr. Jagmeet Singh:** Why aren't you saying, "Yes, I meet with other people"? Why are you saying you're in the process of it? Is there something different—

**Mr. Richard Jackson:** Well, no. I've met with other people. I've spoken with a base hospital director. I've had conversations with the president of the Ontario Association of Paramedic Chiefs. I'm building my network in that.

**Mr. Jagmeet Singh:** Okay. So comparing your contact with the other organizations and your contact with Ornge, is it different or is Ornge more extensive?

**Mr. Richard Jackson:** Ornge has been much more intensive. In my work that I have done with transfer payment organizations and transfer payment agencies in the various ministries I've worked at, the amount of contact that I have with Ornge is exponentially higher than I would normally have.

**Mr. Jagmeet Singh:** What are your independent mechanisms to double-check or to confirm the information that you receive from Ornge, if any?

**Mr. Richard Jackson:** As I mentioned in a previous answer, we presently have an audit team there now verifying the way that reports are compared, compiled, and data is presented to us to ensure that it accurately reflects the information that is coming from their own data systems.

**Mr. Jagmeet Singh:** And how long is the audit team going to be there for?

**Mr. Richard Jackson:** They started their fieldwork on February 25 and are scheduled to complete it in mid-May.

**Mr. Jagmeet Singh:** Okay. And—

**Mr. Richard Jackson:** I thought that was an important thing that we should do because we need to rely on



the data that we get, so we should ensure that it is actually correct and accurate data.

**Mr. Jagmeet Singh:** That was under your direction, this audit team?

**Mr. Richard Jackson:** That was my recommendation: that internal audit resources be allocated to conduct that work.

**Mr. Jagmeet Singh:** Just to be clear, this is an internal audit team from the Ministry of Health?

**Mr. Richard Jackson:** Yes. I think technically, they report to the Ministry of Finance, but they do the work for the Ministry of Health.

**Mr. Jagmeet Singh:** Based on what you're doing right now, based on the reports you're receiving and the fact that we have this internal audit going on that you've recommended, do you think, at this point, there could be—Mr. Klees gave one example of some concerns raised by some front-line staff providers. But could something go wrong at Ornge now, given what you're seeing and what you're doing? If so, what could you do to prevent that, or how would you know if something was going off-line?

**Mr. Richard Jackson:** In terms of do I think that anything is going off-line, could something go off-line, I can't predict the future. But by the rigorous oversight that we have in place, if that was to occur, we would certainly be aware of it in a way that I think we probably, as a ministry, have not been aware of it previously.

**Mr. Jagmeet Singh:** When you were choosing your staff—this is something that just came to mind. It doesn't have to be an extensive answer; I'm just curious that when you chose your staff and you hired them for this position to provide the oversight for Ornge, none of your staff had specific experience with ambulance services or air ambulance or, specifically, land ambulance. Was that something that you identified and weren't able to find people who had the experience, or was that a choice that you thought was not—

**Mr. Richard Jackson:** Characterized, I think there are different roles and responsibilities in this process. I'll start with, first, whoever it is who the government contracts to provide the service. We'll use Ornge because that's what we're here to talk about. I do not need, as the overseer, to understand how to intubate a patient. I do not need to understand how to fly an aircraft. What I do need to understand, from an oversight perspective, is how you actually do that oversight. How do I determine if aviation safety is being maintained? What does Transport Canada say? What does the Ministry of Natural Resources say, where that expertise relies?

When it comes to the quality of medical care, within Ornge, there's first a level of accountability with their medical advisory committee, the work of the quality of care committee that is chaired by Dr. Barry McLellan. So there's that internal expertise there. The staff at the emergency health services branch who have the technical training in paramedicine and oversight—sorry; not oversight, but regulatory—are the patient care standards being achieved? So we rely on that.

There's a regulatory role versus an oversight role, and when I'm looking at people to do the oversight role, I want people who have an understanding of how transfer payment accountability works, and when I want to have people who work on the regulatory side, I want the technical skills to do that. The mix that we have addresses that.

**Mr. Jagmeet Singh:** Thank you. I'm going to ask you some questions now about the financial auditing or oversight that you do, and the other area that I want to talk about is the communications centre, if you have any insight on that.

With respect to the financial portion, some of these reports that you receive are specifically service-related in the amount of service or amount of calls received and responded to, and some of the reports you receive also involve financial information. Is that correct?

**Mr. Richard Jackson:** Correct.

**Mr. Jagmeet Singh:** In terms of your reviewing of those, what type of information are you receiving in the finances, and what steps do you take to oversee that?

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**Mr. Richard Jackson:** Okay. In terms of the material—I'll speak specifically to the finance; is that what you'd like me to do?

**Mr. Jagmeet Singh:** Sure, yes.

**Mr. Richard Jackson:** With respect to the finance review of this, as part of regular, standard transfer payment accountability within the broader OPS, organizations receiving funding from the government submit an annual budget and submit an understanding of how that money will be spent and for what purposes it will be spent. On a quarterly basis, there are reports back from the organization indicating what they are spending and how much they are spending. Is it a variance from the plan positive or minus? Why is there a variance from the plan? It's the type of work that would be done with any recipient of transfer payments.

**Mr. Jagmeet Singh:** That sounds promising. Obviously you must receive information with respect to compensation. The reason why I'm asking about compensation is because it was one of the key pieces that unlocked the puzzle to the Ornge scandal. The problems that existed in the management, particularly the CEO, were unlocked by discovering that there was a serious issue with the compensation.

To prevent that from happening in the future—one of the key red flags that occurred in this circumstance—you receive reports on where the money is being spent and how it is being utilized. I would assume that also takes into consideration staff payment.

**Mr. Richard Jackson:** Correct. We would have salary information; this is through the work that we've been doing under the umbrella of zero-based budgeting, where we can pinpoint the amount of salary that's being paid to provide a specific function, be it how much the staff in the finance unit of Ornge are being paid or how much people in the CEO's office are being paid. I think we



have a really good line of sight into that organization in terms of its compensation.

**Mr. Jagmeet Singh:** So you have direct information in terms of, for example, the CEO and the other management—what they're being paid and where that money is going from the public taxpayer dollars into this organization?

**Mr. Richard Jackson:** Yes.

**Mr. Jagmeet Singh:** And there's not at this point in time any barrier to receiving that information that's flowing?

**Mr. Richard Jackson:** Absolutely not. I cannot think of an instance where we have requested information from Ornge since I've been in this job—since July 2012—where that information was not provided. It was always provided to us promptly and appropriately, I thought.

**Mr. Jagmeet Singh:** Sure. Mr. Chair, can I keep my time for the next round?

**The Chair (Mr. Norm Miller):** Yes, you may.

**Mr. Jagmeet Singh:** Sure.

**The Chair (Mr. Norm Miller):** So we'll move to the government then. Ms. Jaczek?

**Ms. Helena Jaczek:** Thank you, Mr. Jackson, for attending today.

When you became the director of the oversight branch, how would you describe the particular skills, training and background that you brought to this position as an overseer? What particular skills did you bring to this position?

**Mr. Richard Jackson:** Thank you for the question. I will start with, first, my role as the director of the Ontario Student Assistance Program, where, under my leadership, we implemented a rigorous income verification process to ensure that students and their families were appropriately providing income information in terms of providing funding to this. We implemented an oversight regime of financial aid offices at colleges and private institutions to ensure that they were utilizing the program and their delegated authority under the program effectively.

As a superintendent of private career colleges, I was responsible for implementing a new regulatory framework with respect to the passing of new legislation with respect to private career colleges.

In my role as regional director, I was responsible for the licensing of child care centres, ensuring that children and youth mental health organizations, children's aid societies and developmental service agencies provided the appropriate level of service and utilized the funding appropriately.

**Ms. Helena Jaczek:** And your educational background?

**Mr. Richard Jackson:** I have an honours bachelor of arts from York University in geography, I have a certificate from the Rotman School of Management in leading change, and a certificate from the University of Windsor law school in alternative dispute resolution.

**Ms. Helena Jaczek:** And so would you say that when you came to understand what was required in this director of the oversight branch—did you feel that you had the

transferable skills to provide leadership in this particular part of the Ministry of Health and Long-Term Care?

**Mr. Richard Jackson:** Not only did I feel that I had the skills to do that, the people who were recruiting for that position believed that I had the skills to do that job.

**Ms. Helena Jaczek:** Now, in your position as director of the emergency health services branch—I wrestle with the org chart of the Ministry of Health every day—I notice there's an A next to your name. Maybe it's an old—this was the one that was provided. Are you in an acting position or—

**Mr. Richard Jackson:** I'm in a—I thought I was permanent. Maybe I should pay attention to the org chart, but—

**Ms. Helena Jaczek:** This one is dated May 1, 2013, so there is an A.

**Mr. Richard Jackson:** I will need to speak to people about removing my A.

**Ms. Helena Jaczek:** In your position as director of the air ambulance oversight program, as you've said, you've got people from the health audit service team in Ornge at the moment doing a very detailed review to validate the information that you receive on a regular basis. They will report directly to you, I presume, on their findings. Is that correct?

**Mr. Richard Jackson:** I will be one of the people that that information is reported to. It will also go to the ministry's audit committee.

**Ms. Helena Jaczek:** If you find a problem, do you have authority to correct the problem? Who would you report to if there was a problem? I'm trying to get the scope of your responsibility.

**Mr. Richard Jackson:** In terms of the scope of my responsibilities, if there were found to be problems, I would be responsible for ensuring that those problems were addressed.

**Ms. Helena Jaczek:** Thank you. In terms of the relationship now, as you've described it to my colleague, I understand therefore that the people you work with at Ornge are being co-operative, transparent; you're not having any stonewalling or difficulties in obtaining information?

**Mr. Richard Jackson:** That is absolutely correct. They, like us, have the same mission: Make this place work.

**Ms. Helena Jaczek:** In terms of the metrics that you're looking at in the performance agreement, I was interested in one—it's actually 2(h), I guess, pursuant to schedule A. It's the one that talks about the average cost of services provided on a per patient basis. Is the cost per type of transport? In other words, is it by rotary, by fixed wing, by critical care land ambulance? How is that working?

**Mr. Richard Jackson:** The cost and the costing analysis that we will do first will be at the broad level; you know, \$152 million and 18,700-something transports and what the cost of that transport is. The work that we're doing—and this is why we've gone into this zero-based budget approach—is so that we can have a better



understanding of, what does it cost to provide that transport by land? What does it cost to transport by rotary wing, fixed wing or the special agreement carriers that Ornge utilizes?

**Ms. Helena Jaczek:** When it comes to the critical care land ambulance, that information that you're drilling down into, will that assist, I guess, Deloitte in looking at the critical care land ambulance program at Ornge?

**Mr. Richard Jackson:** They are doing an extensive analysis in terms of quite a few metrics, not just financial, time frames. The Auditor General, in his report, quite accurately presented that the cost of a critical care land ambulance transfer by Ornge is significantly higher than the cost that Toronto EMS provides. I think there are some reasons that could explain why there is some difference, but we need to understand, are we getting value for money in that particular program?

**Ms. Helena Jaczek:** In your new position as director of the EMS branch, with your communication with municipal land ambulance, you may have heard that in York region there is also considerable interest from York region EMS in potentially providing critical care land ambulance. So this will be factored in whether—in other words, everything's on the table. There might be potential shifts.

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**Mr. Richard Jackson:** I think it's fair to say at this point that everything is on the table for that. Part of the consultations that Deloitte is doing is with a segment of municipal EMS chiefs and with hospitals that provide that critical care service with their staff. Because we're trying to understand the dynamics of what is actually occurring with that program and where those services could be best deployed.

**Ms. Helena Jaczek:** Now, as part of the performance agreement, there's a requirement—and you've alluded to this—to provide a quality improvement plan. You went through sort of the five areas of concentration. The one that we have is dated 2012-13. Is the next iteration, 2013-14, being prepared?

**Mr. Richard Jackson:** Yes. Over the fourth quarter at Ornge—and my lens into this is being a member of the quality of care committee—the committee has reviewed, based on information from senior Ornge management, additional quality improvement metrics that could be used. One of great interest to the committee is having an understanding of how long does it take from the moment the call is made to the wheels are up on that aircraft en route? So the metrics for that have been approved by the board in March; the actual narrative report now needs to be written.

**Ms. Helena Jaczek:** So in other words, there will be a response-time metric that will more parallel land ambulance in terms of from the moment the call is received.

**Mr. Richard Jackson:** I think that would be a fair characterization of that. But right now, what the standard has been is we will—Ornge will make a decision within a certain time period of whether or not they will launch that resource. But what's important to both Ornge and the

ministry is how long does that take from that moment, to it's actually on its way?

**Ms. Helena Jaczek:** Right. Well, it was referenced I guess in the Auditor General's report as well, that particular issue, with a recommendation to move in a way that it sounds like it's actually happening.

So when can we expect to see the next quality improvement plan?

**Mr. Richard Jackson:** I don't have a specific date for you.

**Ms. Helena Jaczek:** Because when Dr. McCallum was here, he did acknowledge—and this alludes to Mr. Klees' questions—that there was an expectation that in terms of the availability of base aircraft, in other words, helicopter and airplane, that we would hope to see some improvement over time. Is that your understanding from sitting on the quality of care committee?

**Mr. Richard Jackson:** Yes, that is quite consistent with my understanding of that. And, you know, not only do I sit on the quality of care, I sit on the operations committee, which also plays into that, because ultimately patient care and patient safety has a dimension not just of the medical care, but of the ability to actually deploy the resource.

**Ms. Helena Jaczek:** In your understanding of the training program that's being undertaken by Ornge to bring primary care paramedics up to advanced care, advanced care up to critical care, when can we expect to see that substantially completed and have those additionally trained paramedics available?

**Mr. Richard Jackson:** They've reviewed their training programs and made amendments to it to, without compromising the outcome of that training, shorten the length of that training so that they can transition people to the level of care that we need. At this point, what we're waiting to receive from Ornge are the details of that plan of when that will translate into specific—

**Ms. Helena Jaczek:** So you don't really have a date.

**Mr. Richard Jackson:** Well, I don't have a date at this point. We have gained experience in understanding how long it took, how long it will take, to add a third team of paramedics at the Thunder Bay base. There are training issues that need to be—you know, the training needs to be done. There are elements in the collective agreement that exist between the CAW, who represent the paramedics. They're presently under negotiations and I don't want to prejudge the results of that, but I think one of the things from that is that we're looking at being able to improve the pipeline of paramedics.

We're also in some preliminary discussions with two community colleges to see how they can assist in that process. What happens now is that you graduate from community college and you may have an ACP qualification, but there's an additional training that requires you to take that from land to air. They're looking at exploring that with a few colleges.

**Ms. Helena Jaczek:** So from the perspective of the ministry and the management at Ornge, everything is being done with a sense of urgency to move this program ahead?



**Mr. Richard Jackson:** I think it's fair to say that—I will say that almost everything going on with Ornge is at a sense of urgency. I don't think there's anyone who is satisfied—if the resource availability isn't 100%, there's work to be done.

**Ms. Helena Jaczek:** In terms of the zero-based budgeting that's being conducted this year, this is clearly something new for Ornge?

**Mr. Richard Jackson:** Correct, it is.

**Ms. Helena Jaczek:** So instead of going back to a historical base and receiving requests for enhancement or whatever happened in the past, you're literally going back to zero and calculating based on need?

**Mr. Richard Jackson:** We've asked them and they have built their budget from what it actually costs to deliver each of those elements. It's not simply, "Let's just increase everything by 2% this year," because not everything increases by 2%—and what is driving each individual line of expenditure.

**Ms. Helena Jaczek:** When will that be submitted, then, formally to the—

**Mr. Richard Jackson:** It was submitted to the ministry on I believe January 30 of this year for their 2013-14 plan. Then we will be measuring and tracking progress against that as we go through this year.

**Ms. Helena Jaczek:** Sorry, there's such disruption here—it was delivered to the ministry?

**Mr. Richard Jackson:** The board-approved, zero-based budget was provided to the ministry, I believe, on January 30.

**Ms. Helena Jaczek:** Do you remember what the bottom line was, what the request was?

**Mr. Richard Jackson:** The specifics of the request? I'm trying to think of the exact number.

**Ms. Helena Jaczek:** Was it more or less than the previous fiscal year?

**Mr. Richard Jackson:** Yes, it is more than the previous fiscal year.

**Ms. Helena Jaczek:** It was more?

**Mr. Richard Jackson:** Yes.

**Ms. Helena Jaczek:** Are you aware of what's happening with the various private corporations at Ornge? We were presented with this very colourful chart with all the various entities. Would you be involved in monitoring the progress and winding up some of the for-profit entities?

**Mr. Richard Jackson:** This would certainly be an item that we would speak to at Ornge on a periodic basis. The chart that Mr. Klees provided, I think it actually came from Ornge. You can see the status of that in terms of the foundation and J Smarts charitable organization and what they're doing to wind that particular organization up. I know that Ornge is looking at the other elements of this that are within their control.

**Ms. Helena Jaczek:** And you're satisfied with the progress they're making?

**Mr. Richard Jackson:** I am satisfied with the progress. I think you need to proceed prudently as you wind these up. They were created for a purpose. There are

inter-linkages between them and you need to understand what those are and how those will play out. It's not as simple, I think, as just putting an X and saying, "We no longer want to have Ornge Real Estate Inc.," as they are the ones that own the building.

**Ms. Helena Jaczek:** Do I have time left, Mr. Chair?

**The Chair (Mr. Norm Miller):** Yes, you do.

**Ms. Helena Jaczek:** I'll leave it for the final round.

**The Chair (Mr. Norm Miller):** Okay, very well. You've used all your time, Mr. Klees, so we'll move to the NDP and Mr. Singh.

**Mr. Jagmeet Singh:** Picking up on the last question about winding down the organizations, in terms of the view in your position or in your capacity both, I guess, as the emergency health services director and specifically as Ornge oversight director, your end goal is to wind down or to ensure that all the entities are wound down—the for-profit?

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**Mr. Richard Jackson:** The ultimate objective of Ornge—and the ministry would certainly be in support of that—is to officially wind up the for-profit entities. They don't operate on a for-profit basis under the current regime, but that's how they are registered. The intent is to simplify this corporate organization chart so that you could actually understand it.

**Mr. Jagmeet Singh:** Okay. Are there any policies in place that—one of the issues that came up was providing the board of directors with a clear indication of ministry support of any initiatives at Ornge. What I mean by that is that if Ornge proposes a particular strategy, or the board of directors comes up with a particular pathway they want to go down, or the CEO has a particular vision, that the ministry should provide a clear response in terms of do they support that initiative or do they not support it—that if you are made aware of any particular initiative, what is your policy moving forward, in terms of conveying support or not?

**Mr. Richard Jackson:** The ministry needs to provide clear direction to Ornge or—well, I'll restrict my answers to Ornge, because that's what we're talking about—in terms of what our expectations are.

Any changes to the corporate structure require the ministry's approval. The board has initiated and is in the process of developing a five-year strategic plan. I'm glad to see that, because I think it's important to understand where it is that you're going as an organization. In terms of the discussions and focus groups that they will have within their organizations and what their strategies will be going forward, I have been invited to participate in that process and will participate in that process and be actively engaged.

**Mr. Jagmeet Singh:** Okay. Do you have any idea about what direction this new strategic plan will take?

**Mr. Richard Jackson:** I don't have any preconceived notions of what the strategic plan will take. But I very much want to see what the approaches and strategies are going to be to improve the resource availability, particularly the level of care provided by their paramedics, and



to ensure that the funding that is provided is being used to the best possible effect.

**Mr. Jagmeet Singh:** I'm just going to ask you some questions about the way your position works and any of the accountability mechanisms that may or may not exist with your particular role.

If Ornge does not—let's start with this first: In your capacity to oversee something that goes to the delivery of services of Ornge, if you do not pick up on or do not notice a significant drop that occurs in terms of the level of service provided—if in one month, all of a sudden there's a significant drop in staffing levels or there's a significant, or even a minor—if there's a drop in the ability to service calls, and you don't notice that or you don't pick that up, and someone else draws it to the attention of the public—perhaps an investigation by someone in the media—what would happen to you in that circumstance? How does the ministry work that way? You can educate me; I don't even know.

**Mr. Richard Jackson:** I'm not quite sure how to answer your question, Mr. Singh, but I'll do my best.

**Mr. Jagmeet Singh:** Give it a shot.

**Mr. Richard Jackson:** As the director responsible for the oversight of this organization, I hold myself personally accountable to ensuring that they deliver on their—I deliver on my oversight role. I can't deliver the service for them—

**Mr. Jagmeet Singh:** Sure.

**Mr. Richard Jackson:** —but in the event that it's not, that appropriate steps are taken to address those. I took on this opportunity to make a positive improvement at this organization. I'm a little invested in making sure that—

**Mr. Jagmeet Singh:** Sure. I appreciate that.

**The Chair (Mr. Norm Miller):** Thank you. We'll move to the government. Ms. Jaczek.

**Ms. Helena Jaczek:** Thank you. Mr. Jackson, as perhaps you're aware, Bill 11 is currently before the House, hopefully into committee soon. Did you have any input into the preparation of Bill 11? It was Bill 50 previously.

**Mr. Richard Jackson:** I didn't have any specific impact in terms of Bill 11. As you know, Bill 11 is Bill 50 reintroduced. The work that was done on that was done prior to me joining the ministry.

Where I have had some input is with respect to regulation 460, which, if passed, will require Ornge to be subject to the freedom-of-information legislation. When that was put out for public consultation, I was the contact person on the website where individuals could provide feedback on that particular regulation. There was none received.

**Ms. Helena Jaczek:** Given your expertise in oversight, do you think that Bill 11 will be important to ensuring continued accountability and greater oversight of Ornge?

**Mr. Richard Jackson:** I think where Bill 11 is important is the type of legislation—and someone gave me this analogy recently—it's kind of like insurance. You

don't need insurance when things are going well; you need insurance when things are not going well. So in terms of the oversight and regulatory tool kit that I think a regulator would want to have, there is the ability, if it is found that there needs to be significant change at the organization that's not taking place, similar to when that is exercised for public hospitals, children's aid societies, school boards—there are instances where you would want to have that authority to do that. You wouldn't use it recklessly or frivolously, but without having that, I don't think you have the full spectrum.

**Ms. Helena Jaczek:** What do you think of the whistle-blower protections outlined in Bill 11? Do you think they are sufficient, that it's going to be a useful provision?

**Mr. Richard Jackson:** I think any protection that is provided to people who take a whistle-blowing action is an important element. Again, in terms of that spectrum of what you want in regulation and oversight, sometimes it's the people on the ground who are the ones who are going to know what's going on the best—and that they could come forward in a way that they felt protected.

**Ms. Helena Jaczek:** Any time left, Mr. Chair?

**The Chair (Mr. Norm Miller):** Yes. You have a couple of minutes left.

**Ms. Helena Jaczek:** Oh, good.

In your previous experience in terms of getting complaints from employees—I'm just following up on the whistle-blower protection piece—have you felt able to deal with concerns from employees, to make change, or have you been constrained in any way given your position in the Ontario public service?

**Mr. Richard Jackson:** In terms of my specific experience with Ornge or—

**Ms. Helena Jaczek:** No. I would say just in general. You must have faced situations where there were complaints or employees who had concerns.

**Mr. Richard Jackson:** Certainly there have been specific instances, particularly in regulating private career colleges, where one of the inputs into understanding what was going on was the fact that you would receive complaints from either employees of that institution or students who were going there who weren't receiving that. That sheds some light and, again, adds to the spectrum of oversight that you have available to you.

**Ms. Helena Jaczek:** So you would say within the Ontario public service there is a desire to ensure that all complaints or employee concerns are dealt with fairly?

**Mr. Richard Jackson:** I'm not sure if I can speak on behalf of the entire public service—

**Ms. Helena Jaczek:** Your pieces of it.

**Mr. Richard Jackson:** —but I'll certainly speak on where I'm involved in this. I think it's critically important that people have the ability to do that.

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**Ms. Helena Jaczek:** Again, one of the items in the performance agreement—I think it's in schedule A—does relate to complaints. Yes, in “(A) Operations

“(3) Complaints



“(a) Receipt of complaint”—it says “immediately”;

“(b) Number of complaints”—“monthly.”

Have you been receiving these reports?

**Mr. Richard Jackson:** We have received those reports. At our last monthly meeting with Ornge—that would have been sometime in April—the vice-president of clinical affairs provided us with detailed information on the number of complaints: what those complaints were, how they were categorized and their state in terms of being resolved.

**The Chair (Mr. Norm Miller):** Thank you very much. We’re out of time. Thank you, Mr. Jackson, for coming before the committee today. It’s appreciated.

**Mr. Frank Klees:** Chair, if I might—

**The Chair (Mr. Norm Miller):** Yes, Mr. Klees.

**Mr. Frank Klees:** We’re just starting to scratch the surface here with Mr. Jackson. With the support of my colleagues I’d like to ask the Clerk to invite Mr. Jackson back. In the meantime, what I would like to have Mr. Jackson provide to the committee are copies of those 14 monthly reports that he’s indicated his branch has received over the last—I would say at least the last quarter. I would ask that we have that available to us by 5 o’clock Friday of this week. That shouldn’t be a problem. As well, I think Mr. Jackson undertook to provide us with the information about which staff members are responsible for analyzing which reports that he receives.

I’ll just make this comment: The reason I’m looking forward to having Mr. Jackson back is that I’m not encouraged by the fact that the very program branch responsible for oversight of our air ambulance service, the individuals—nobody in that program has any experience in either air ambulance or land ambulance. I’m concerned about that. I want to spend some more time on this issue.

**The Chair (Mr. Norm Miller):** Very well. We can discuss that.

Thank you for coming, Mr. Jackson. We appreciate it.

#### MINISTRY OF FINANCE

**The Chair (Mr. Norm Miller):** Our next witness today is Mr. Allen Tait, director, forensic investigation team, Ontario internal audit division, from the Ministry of Finance. Welcome, Mr. Tait. Just to confirm you’ve received the letter for someone coming before the committee?

**Mr. Allen Tait:** That’s correct.

**The Chair (Mr. Norm Miller):** Very well. Great. I understand you’re going to swear an oath, so our Clerk shall do that.

**The Clerk of the Committee (Mr. William Short):** The Bible should be in front of you there. Perfect.

Mr. Tait, do you solemnly swear that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth, so help you God?

**Mr. Allen Tait:** Yes, I do.

**The Clerk of the Committee (Mr. William Short):** Thank you.

**The Chair (Mr. Norm Miller):** Very well. I understand that you have a 10-minute opening statement. Go ahead, please.

**Mr. Allen Tait:** Thank you for the opportunity to appear before the committee. My name is Allen Tait. I’m currently acting director, forensic investigation team, Ontario internal audit division. For the remainder of today’s testimony I will simply refer to the forensic investigation team as FIT. I am a chartered accountant and a certified forensic investigator.

I’ll briefly outline my career and experience. After an 18-year career in public accounting, the last five of which running my own practice specializing in forensic investigation, I was hired by the internal audit branch of the Ministry of Transportation in 1998 as a forensic investigator. I advanced to senior manager of investigations in the 2000s and my responsibilities expanded in fiscal 2006 when FIT was converted from an MTO investigative unit into a corporate investigative resource. In August 2012 I was appointed acting director of FIT.

As I just mentioned, FIT is a corporate investigative resource available to all ministry audit service teams. FIT provides specialist investigative services to address allegations of wrongdoing against government. Perpetrators could be either internal staff or external parties. We conduct civil, not criminal, investigations. FIT is not an enforcement unit that lays charges under provincial statutes. In short, FIT is available to address allegations of wrongdoing against government where ministries do not have access to a dedicated investigative unit.

It’s important to emphasize that forensic engagements are designed to meet the standards of a court or a tribunal. FIT engagements provide conclusions on evidence collected following procedures consistent with the rules of evidence. The trier of fact must be satisfied that evidence was properly obtained in accordance with those rules of evidence before a determination can be made if the evidence can be relied upon to render a decision.

In some situations, FIT may identify circumstances that are a poor business practice or a poor value-for-money decision. Unless the circumstance represents a breach that could constitute wrongdoing, FIT would comment on such findings but not address them in depth, as those are audit issues as opposed to investigative issues.

I would now like to provide a high-level synopsis regarding the FIT role concerning the Ornge engagement. FIT was retained by the Ministry of Health and Long-Term Care. I personally attended the Ornge offices for a preliminary engagement meeting with the director, health audit service team, on December 23, 2011. For the remainder of today’s testimony I will refer to the health audit service team as HAST.

The initial purpose of the engagement was to conduct a forensic audit for the period January 1, 2007, to December 31, 2011. The audit was designed to assess the degree to which Ornge expenditures related to the provision of air ambulance services. As this was an audit, HAST initially led the engagement. Given that litigation



to recover a portion of funds was a possible result, FIT resources were assigned to provide technical support to ensure the audit met forensic standards.

On January 12, 2012, I was advised by a FIT team member that they had been provided with documents from an Ornge employee who stated the documents contained evidence that wrongdoing had occurred. Upon receipt of this specific allegation with supporting documents, measures were taken to convert the engagement from a forensic audit to a forensic investigation. FIT assumed responsibility for the engagement on January 16, 2012, with support from HAST.

This change in the nature of engagement was a necessary yet significant development. In general, case law has established that investigations have a very specific purpose: appropriately obtaining evidence to determine the validity of an allegation. In addition, case law has established that evidence obtained for investigative purposes under the pretext of an audit may be deemed inadmissible.

The investigation was designed to complete the original forensic audit objective of assessing the degree to which Ornge expenditures related to the provision of air ambulance services. The investigation was also designed to address specific allegations of wrongdoing that had been identified or were identified as the engagement proceeded.

To complete the skill set on this engagement team, forensic accounting specialists from the investigations and inspections branch, Ministry of Finance, and IT forensic specialists from the corporate security branch, Ministry of Government Services, were assigned to the engagement team. An investigator was assigned to lead each allegation that was under review. Major steps they took would include reviewing of documentation, conducting interviews and reconciling the paper trail to the cash flow analysis. That was a separate team, with the forensic accountants focusing on the cash flow portion.

Given the five-year scope and complexity of some of the allegations, it took several months of concentrated effort to complete this investigation.

Thank you. I'll now address any questions that you may have.

**The Chair (Mr. Norm Miller):** Thank you very much. We have about 17 minutes for each caucus. We'll start with the NDP: Mr. Singh.

**Mr. Jagmeet Singh:** Thank you very much for attending today, sir. Just to clarify: You've been engaged by the Ministry of Health and Long-Term Care. Is that correct?

**Mr. Allen Tait:** That's correct.

**Mr. Jagmeet Singh:** Do you have any involvement with the OPP investigation?

**Mr. Allen Tait:** The OPP investigation is a criminal matter.

**Mr. Jagmeet Singh:** Yes.

**Mr. Allen Tait:** I'll take a few minutes to explain and provide some context.

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**Mr. Jagmeet Singh:** Sure.

**Mr. Allen Tait:** With respect to the OPP, the OPP was aware that our civil investigation was ongoing; the OPP were retained in February to conduct a criminal. The OPP could not and did not provide us with any instruction on how to conduct our investigation. The OPP had no issue with us continuing to do our work.

When our work was completed at the end of June, we were approached by the OPP. They were advised of our status; they knew it was completed. The OPP did ask for, through appropriate channels, a copy of our report, which has been provided. As such, the client has understandably been quite careful in protecting information, as no one wants to compromise the ongoing criminal investigation.

**Mr. Jagmeet Singh:** Okay. As it stands right now, has the OPP advised you that the details of your findings are sensitive enough that they should not be disclosed in a detailed—as opposed to the higher level, a detailed level that should not be disclosed? Is that what your understanding is?

**Mr. Allen Tait:** On advice of counsel, we advised the OPP that I have been called to attend. They advised me to answer the questions in a full, frank and fair manner.

**Mr. Jagmeet Singh:** And did they provide you with any concern that your answering these questions would jeopardize their investigation in any way?

**Mr. Allen Tait:** I interpret their instruction—they gave me no special instruction on restriction of what I can say in this room today.

**Mr. Jagmeet Singh:** That's good.

**Mr. Allen Tait:** So I interpret that as—

**Mr. Jagmeet Singh:** I think that's a fair interpretation. Okay, wonderful.

In terms of your findings, have you been able to—just to frame your investigation, the information you obtained, you have obtained it in a manner that's evidence so that it can be used in a court of law? Is that correct?

**Mr. Allen Tait:** Under a civil investigation, correct, yes.

**Mr. Jagmeet Singh:** That was my next question. You're framing some of your investigation in terms of wrongdoing in a civil context?

**Mr. Allen Tait:** That is correct. The reason why I stress the word “civil” is—for example, in terms of interviewing, because we are not a police agency, we would not issue a criminal caution in conducting interviews, that scenario. As a result, because we're not issuing cautions, there's a limit—like, it would not be admissible for criminal purposes.

**Mr. Jagmeet Singh:** Fair enough. That makes sense. That's actually very helpful.

Based on what you've found, have you found evidence of civil wrongdoing at Ornge?

**Mr. Allen Tait:** I'm reflecting on the best way to answer your question. As an investigator, we have found evidence that has significant findings. So the trier of fact—

**Mr. Jagmeet Singh:** Right.



**Mr. Allen Tait:** It does have that responsibility to determine guilt or innocence.

**Mr. Jagmeet Singh:** Yes, make a determination.

**Mr. Allen Tait:** It's fair for me to say that. There are findings in the court that a trier of fact would be looking at.

**Mr. Jagmeet Singh:** Could you highlight some of these issues that a trier of fact would be looking at?

**Mr. Allen Tait:** I'll outline some of the significant areas of our investigation.

**Mr. Jagmeet Singh:** Yes, please.

**Mr. Allen Tait:** We reviewed the corporate structure, we reviewed the cash flow and how the cash flow was flowed for the entire five-year period. We did look specifically at areas that were known in the press at the time, in the media, for example, the Agusta transaction. We do have a section where we did that form of analysis.

In addition, we looked at remuneration. We looked at the costing of the various services that are being provided. There were some smaller allegations that came up or areas of concern about certain transactions within that, which we did take a look at.

**Mr. Jagmeet Singh:** Let me pause you there. You looked at remuneration; I follow you there. When you said "costing of services," what did you mean by that?

**Mr. Allen Tait:** With the structure of the Ornge—the term used in our report is "conglomerate."

**Mr. Jagmeet Singh:** Sure.

**Mr. Allen Tait:** Because you have the 20 entities. We ran into a situation where there was a series of what we would call a related party transaction.

**Mr. Jagmeet Singh:** Sorry, what type of—

**Mr. Allen Tait:** A related party transaction. What I'm referring to there would be a situation where you have two entities that are what's considered not at arm's length because there's some type of common ownership or governance. So it's fair to say that by structure, the possibility of the business relationship between related parties might not be at traditional commercial terms that two arm's-length parties would conduct themselves.

**Mr. Jagmeet Singh:** So that's an area where the costing of services between two related parties that are not arm's length within the conglomerate would be an issue. What you have found would be something that you could present before a trier of fact?

**Mr. Allen Tait:** Well, we identified that as an issue. We thought it was our responsibility to do a fulsome investigation to consider that particular issue.

**Mr. Jagmeet Singh:** And do you still maintain that is an issue that you would raise?

**Mr. Allen Tait:** The evidence we found, we did not find significant discrepancies compared to—

**Mr. Jagmeet Singh:** Oh, you did not?

**Mr. Allen Tait:** No. I'm answering the question, which is the scope; we had a very broad scope. We felt a responsibility to have a very broad perspective on these different issues. We also looked at the sale and leaseback of the building.

**Mr. Jagmeet Singh:** Okay. And what did you find with respect to that? Any issues?

**Mr. Allen Tait:** There is an issue that would still need to be looked at. For example, on the—it's been reported publicly that the Auditor General also looked at the issue. It's been reported publicly that there's a difference of opinion. The Auditor General's office has some questions about the valuation that's been conducted. There was documentation on the file where another professional firm has provided a contrary opinion. So we now have a situation where you have two professionals who do have a difference of opinion.

As forensic investigators, we are not certified business evaluators, so we are not going to provide an opinion one way or another. We don't have those qualifications, but another objective of an investigator is to be fair to all parties. That's part of the process. So we have documented that there is a difference of opinion, and if it is an area that needs to be pursued further, there would have to be, in effect, a third-party qualified expert looking at the different positions out there, but we have reported on that.

**Mr. Jagmeet Singh:** Okay. Now let me just narrow in: What evidence have you obtained in these specific areas that would be presented before a trier of fact to make a decision whether something's wrong or not? Obviously you can't make that determination, but what evidence have you collected that would be presented with respect to the—let's talk about perhaps the corporate structure, the cash flow and the Agusta dealing.

**Mr. Allen Tait:** The process that we followed was, we prepared a document, a formal report, and that report is supported by what we call an evidentiary—we call it a tabbed binder, a binder of evidence. If a party needed to pursue this documentation, they could read our report, which is our analysis of our procedures, evidence we collected and our conclusions on the evidence. They could refer to the documentation that we've obtained. All those detailed materials were accessed by the OPP under appropriate authorities so, as a result, they have not been—we have to be very discreet in getting into the different details.

**Mr. Jagmeet Singh:** I understand.

**Mr. Allen Tait:** We don't want to jeopardize that investigation.

**Mr. Jagmeet Singh:** I understand. So you can talk about what you've done, but you can't talk about your exact findings as of yet?

**Mr. Allen Tait:** At this stage, I'm providing as fulsome answers as I believe are appropriate.

**Mr. Jagmeet Singh:** I understand. Okay. Were there any other areas of concern that you had or areas that you investigated besides the corporate structure, the cash flow, the Agusta deal, remuneration, costing of services? Was there anything else?

**Mr. Allen Tait:** We did look at the—we covered the building, the air—the air covered a lot. We did look at the land ambulance program.

**Mr. Jagmeet Singh:** Okay.



**Mr. Allen Tait:** The reason why we looked at the land ambulance program was because that is under a separate arrangement and the terms of that agreement differ from the air ambulance agreement. As a result, we felt a responsibility to look in those areas and determine if the charges were appropriate, and we did identify some concerns there.

**Mr. Jagmeet Singh:** Okay. I'm going to double-check how much time I have.

**The Chair (Mr. Norm Miller):** You have six minutes left.

**Mr. Jagmeet Singh:** Okay. Wonderful. Were you able to determine whether money that flowed in to the not-for-profit side—you're well aware of the for-profit and not-for-profit side obviously?

**Mr. Allen Tait:** Yes.

**Mr. Jagmeet Singh:** You're probably much more intimately aware than I am. So money that flowed in from the not-for-profit side, were you able to confirm that that money was used in the for-profit side for private ventures?

**Mr. Allen Tait:** In terms of the cash flow, what our overall conclusion was, we were able to map it. We actually have prepared cash flow diagrams in our document. We've determined that roughly 93.5% of the total monies in the conglomerate were ministry-related. We did identify some specific transactions such as the debenture; there was a bond based on the value of the sale-leaseback of the building. There were a few miscellaneous donations. There were some sources independent of the ministry. But the conclusion on that particular issue was that the investigation did not identify any regular—we did not identify a regular source of revenue that was not ministry-related.

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**Mr. Jagmeet Singh:** Okay. Did you have any issues obtaining all the documentation that you required? Did you—

**Mr. Allen Tait:** When we went on-site with interim CEO Ron McKerlie, he pledged full co-operation, and in our view the co-operation was—the staff did the best that they could. With a five-year scope, with departed staff, there were some documents that, through no fault of existing staff, couldn't be located, or we didn't have an opportunity to try to get a version of events from those who were no longer there. So in one sense, we did have a scope limitation that way, but it was not because we weren't getting co-operation from the current staff.

**Mr. Jagmeet Singh:** I understand. Were there any significant transactions based on this five-year gap, or this five-year time period going back—were there significant transactions that you felt, because of that time being elapsed, you weren't able to get sufficient information to be able to conduct a fulsome investigation? Any significant areas, like the ones we touched on?

**Mr. Allen Tait:** I think it would be fair to say as—I'm not privy to what the OPP is looking at. The possibility, I would think, would exist that the OPP is looking at areas that we looked at. The fact that they are still investigating

would suggest that there is evidence that still needs to be collected.

**Mr. Jagmeet Singh:** Okay. But is it the case, due to no fault—just due to the reality of the circumstances, because of a five-year time frame—that there's just information that you're not able to access at this time, that will leave some issues unanswered?

**Mr. Allen Tait:** In terms of our report, we've concluded to the best of our ability, on the information that we had. In terms of process, for a fair investigation, if you have concerns, the normal process would be to ask the party who was involved in transactions where you have concerns for their version of events. For those individuals who are no longer in the employ and we can't compel them to speak, that type of information would be missing.

**Mr. Jagmeet Singh:** Okay. I'm going to ask you some questions now regarding Dr. Mazza and some of the loan arrangements that were set up through Ornge. Did you reach any conclusion with respect to those loan arrangements?

**Mr. Allen Tait:** In terms of conclusion—we did look at the loan arrangements.

**Mr. Jagmeet Singh:** Yes, did you find any—

**Mr. Allen Tait:** The report found that there were three—loans were advanced; we identified three specific transactions.

**Mr. Jagmeet Singh:** Yes.

**Mr. Allen Tait:** We found that the documentation supporting those transactions was inconsistent.

**Mr. Jagmeet Singh:** Okay. Can you elaborate on in what manner they were inconsistent?

**Mr. Allen Tait:** I'm not trying to be—again, it's getting into—without being able to present the documents, but in terms of approvals, to the best of my recollection, we'd have a situation where one of the documents—there appeared to be a form of approval from the board. There appeared to be email approval on one and, to the best of my recollection, on one, we did not find any evidence of approval.

**Mr. Jagmeet Singh:** Okay, interesting. In terms of your conclusions in a broad sense—this type of transaction, where the board approves of loans to the CEO of an organization—did you reach any conclusions whether that's something that's an approved practice, an unapproved practice, frowned upon, or fine?

**Mr. Allen Tait:** Again, as an investigator, I wouldn't necessarily—I wouldn't be drawing a conclusion on whether or not it's a standard business practice. That really would be, in the audit, germane. The question that a decision-maker is going to have is, "Was there an approval, yes or no?" And once I provide those different facts, there are going to be other individuals who would say whether or not this was an acceptable or unacceptable practice.

**Mr. Jagmeet Singh:** Fair enough. With respect to the corporate structure, what conclusions can you share with us?

**Mr. Allen Tait:** We identified 20 entities. We prepared our own chart. We reconciled the entities to the



minute books. We looked to identify if the minute books were up to date or if they needed updating. We reviewed the board members to look to see if there were elements of common control. Those are some of the key points that we factored on there.

**Mr. Jagmeet Singh:** Okay.

**The Chair (Mr. Norm Miller):** Thank you. We'll move to the government: Ms. Damerla.

**Ms. Dipika Damerla:** Thank you, Chair, and thank you, Mr. Tait, for coming. I know this is not an easy process to have to go through.

I'd like to start at the beginning. So you were hired by the Ministry of Health; would that be correct?

**Mr. Allen Tait:** Yes. The Ministry of Health and Long-Term Care was our client, correct.

**Ms. Dipika Damerla:** It suggests that the ministry really wanted to get to the bottom of things, the fact that they hired the FIT of their own accord.

**Mr. Allen Tait:** Yes. They wanted to bring in the investigative specialist, because even at the audit stage, they were considering court action, hence the term "forensic," which is why I spent a bit of time to introduce that term, because I think it is relevant to understanding our role versus a traditional audit.

**Ms. Dipika Damerla:** Yes. Just based on your conversation with Mr. Singh, the sense I've gotten is you have completed your investigation and now you're going to be presenting it to a trier of facts? I wasn't quite sure what that was about. Could you explain where you're at in the process?

**Mr. Allen Tait:** Sure, yes. In this situation, there's a unique set of circumstances. In the majority of the investigations where we're retained, the general process would be that the civil investigation is completed in its entirety; we would then report to our client; our client would make decisions about contract issues, labour issues, depending on what the scenario is; take action on that; and then they would consider if we believed that there has been some type of potential breach of the Criminal Code and make the referral at that particular time.

In this particular circumstance—although it's not unusual; it's not the first time I've had this type of experience where there has been a concurrent investigation. I've done them before, and we did them in this case. What happened in this particular case does make sense, because there was a lot of publicity about what the issues were and, as a result, once there was reason to believe there were some potential breaches, the OPP had to initiate criminal procedures, which gives them access to information that as civil investigators we don't. For example, as a criminal investigator, they can go to a judge and get a search warrant, obtain personal bank records etc. As a civil investigator, I don't have access to that type of information.

**Ms. Dipika Damerla:** So you've completed your investigation, and you've got your report. What are you going to do with that? It's not clear to me.

**Mr. Allen Tait:** Okay. At this point, the normal process would be that we would present the report to the

client, the client would make a series of decisions, and then, you know, consider referrals etc. In this particular case, the OPP did request access to our report. As a result—and we did receive instruction from the OPP that they did not want the details in this report in the public domain.

**Ms. Dipika Damerla:** Yes, of course.

**Mr. Allen Tait:** That would damage the investigation. So, therefore, the report is available, and it will be made available to those, as needed, for purposes to move forward, with the proviso that no one wants to compromise the criminal—

**Ms. Dipika Damerla:** Okay. So when you started the investigation, was there any part of the old management or the old board still operating that you had access to when you started the investigation?

**Mr. Allen Tait:** I just need a moment just to reflect back mentally in my timeline here. When we first began—on December 23, Dr. Mazza had already left. Mr. Beltzner I did not meet personally. He was on the teleconference on December 23. If my memory is correct, Mr. Lepine was in the room and Mr. Tavender was in the room. Essentially, as we got the forensic audit going, very early on in the engagement, Ron McKerlie was appointed. So in terms of interviewing some parties such as Mazza, Renzella etc., we never really had those opportunities because we really weren't in an investigation mode at that time.

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**Ms. Dipika Damerla:** But Mr. Beltzner—you've had some interaction with him?

**Mr. Allen Tait:** Personally, I was only involved with him on the first telephone conference on December 23. After that, I did not have any direct interaction.

**Ms. Dipika Damerla:** Can you characterize for me what your sense was of that interaction with the chair, Mr. Beltzner? Did he seem co-operative? Did he seem defensive? What was your sense? Did he have a sense of the scope of the issues that his organization was facing?

**Mr. Allen Tait:** In the meeting on December 23, on the teleconference, Mr. Beltzner instructed his team on the teleconference to provide full support. Mr. Beltzner stated that, in his view, to the best of my recollection, it was in the best interests of all parties that the issues be investigated by qualified investigators so that the issues get resolved, because it was taking a toll on everybody, with a lot of concerns being expressed in the press.

**Ms. Dipika Damerla:** Okay. I know you mentioned that your investigation looked at a number of areas of Ornge.

**Mr. Allen Tait:** Correct.

**Ms. Dipika Damerla:** I'd like to know more about, when you were doing your audit and you went through—to me, I'm really interested in the role that the board played and whether you investigated the extent of their governance and whether you were able to find a pattern or anything that showed that perhaps they didn't discharge their fiduciary responsibility to the government of Ontario as best as they should have?



**Mr. Allen Tait:** Okay. We did address governance but not as an allegation specifically. In an audit role, an audit procedure would often be looking at the board governance. What we would do is, we would look at specific allegations where someone said that there may be some type of inappropriate conduct or wrongdoing. In the course of doing that work, we would look to see if it's relevant that the board should have had an oversight role. We would comment on it. But it's not in relation to overall board governance; it's in relation to how a specific issue, such as the question a few minutes ago about what evidence did we see of board approval or non-approval on loans—so we would look at it in that sense. That's why I'm saying that when the report is looked at by certain parties with different perspectives, they would look at the report in its entirety and then a trier of fact would make a conclusion on how they felt the board executed their responsibilities. It really wouldn't be the investigator looking at that—

**Ms. Dipika Damerla:** Okay. So what I'm really looking for: In your opinion, as an investigative auditor, do you think that the board fulfilled or discharged its responsibilities in the way they should have, or did you find that there was a pattern—let me give you an example: that perhaps the minutes were not maintained to the highest standard, or there wasn't fulsome documentation. I just want to get a sense of your overall audit. When you went through all of the board's minutes, the way they made their decisions, did you find—were they discharging their duties to the best of their abilities or not?

**Mr. Allen Tait:** I will speak first in terms of overall board performance; then I'll have to speak more on an individual level. From an overall board performance, in the review of the corporate structure, we did find situations where there were some incomplete minutes; minute books not up to date. There were some transactions where—you know, where was the board oversight? In that sense, someone may review our report and form an opinion on the board governance.

The question about individual responsibility, though, is somewhat more difficult because what we wouldn't have access to as an investigator is, we don't know what each individual member had been provided with when they were making some decisions. In that sense, I cannot answer properly that question in terms of how each individual performance did because I don't have that information. That was actually not within the scope of what our investigation would have covered directly.

**Ms. Dipika Damerla:** Okay.

**The Chair (Mr. Norm Miller):** Ms. Damerla, can I ask you to just move a bit away from the microphone, please?

**Ms. Dipika Damerla:** Oh, is it too loud?

**The Chair (Mr. Norm Miller):** Yes, just—there we go.

**Ms. Dipika Damerla:** Usually I have the opposite problem. Okay.

Coming back to the ministry, one of the challenges that ministry officials have said they had in providing oversight was that they found that both senior management and the board were not co-operative. When they asked for documents, they didn't get documents, and they were strung along.

In your audit, did you find evidence of that, that ministry officials were asking for information but Ornge and its officials were dragging their feet in providing that? Perhaps they didn't say no, but they weren't really jumping up to provide the information.

**Mr. Allen Tait:** In our experience when interim CEO McKerlie was on board, we did not have any delays I'd consider significant. Did I get everything immediately? No, but that's not a realistic expectation. Did everything get sorted out? I did not have to go to Mr. McKerlie and say, "I need you to"—

**Ms. Dipika Damerla:** Sorry. My question was, when you were doing the audit over the five-year period, did you see evidence—not your personal experience, but the experience of, say, an ADM or whoever was responsible for oversight for Ornge? When bureaucrats were seeking information from the old Ornge management, they had said that there was a delay—

**Mr. Allen Tait:** Did we see documentation suggesting that there was not—

**Ms. Dipika Damerla:** Yes, and did you find evidence of that in your audit?

**Mr. Allen Tait:** Yes.

**Ms. Dipika Damerla:** How good or bad or extensive was this? You've done a lot of audits, so characterize it for me. Was it like stonewalling? How would you say it? Was there a pattern?

**Mr. Allen Tait:** We did find evidence that some of the reporting was delayed. We do see situations where documents weren't filed on a timely basis. We did find certain circumstances where we questioned the accuracy of the data that was filed.

**Ms. Dipika Damerla:** So would you say, based on what you noticed, that it would have been difficult for the government of Ontario to do its job of oversight adequately, given the lack of co-operation? It wasn't for lack of wanting to provide oversight, but rather being blocked from doing so.

**Mr. Allen Tait:** From our evidence, I can say that if we did see situations where information was not provided properly or not provided on time, yes, it would create difficulties. As an investigator, again, under my code of conduct, I can't assign guilt or innocence to any party. So I can tell you what I saw, and yet really to conjecture that would lead to difficulties.

**Ms. Dipika Damerla:** That was very helpful.

One of the things that I've been really interested in is taxpayer money; it's used for not-for-profit ventures. But in the case of Ornge, some of that money flowed to the for-profit venture. I just want to understand, from your forensic investigation—I think Mr. Klees once said, quite eloquently, that sometimes it can be legal but not right, or it could be plain illegal. I just wanted to know: This flow



of money, was it appropriate within the parameters of everything that was established, the flow of taxpayer money to the for-profit units of Ornge?

**Mr. Allen Tait:** I think it's fair to say that we are aware there's a criminal investigation ongoing. I don't know what they're looking at. There is a probe going on, so I don't think it's appropriate for me to go really beyond that, but state that there is a criminal probe going on right now.

**Ms. Dipika Damerla:** My other question was this: You'd earlier said that 97% of Ornge's funding was the government—

**Mr. Allen Tait:** It was 93.5%.

**Ms. Dipika Damerla:** Yes, 93.7%?

**Mr. Allen Tait:** That's 93.5%.

**Ms. Dipika Damerla:** Oh, 93.5%. I'm curious about the 6.5%. Where did that money come from?

**Mr. Allen Tait:** Again, we calculate that number based on the total cash that we were able to identify in our methodology. The biggest source of cash outside of that was the debenture that had been issued of about \$234 million. There was a \$23-million bond on the sale-leaseback based on the net present value of the lease. There were some small donations made. There were some fundraising donations, that sort of scenario. There were GST-HST rebates, that type of scenario. So that type of funding was there. When we added all the numbers up, that's how the percentages came out.

**Ms. Dipika Damerla:** I'd probably argue that a GST rebate is still government funding, but we'll let that be.

One of the things that I am curious about is, in your audit, were you able to establish whether the board at times was spending taxpayer money without consideration to value for money?

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**Mr. Allen Tait:** Again, the value-for-money question is really the domain of the audit team, as opposed to what we would look at. An individual could certainly look at the findings of our evidence in the issues that we looked at and I'm sure any reader would form an opinion as to value for money, but as investigators, we're looking from a mindset of, is there evidence that proves, disproves or is inconclusive as to an allegation of wrongdoing? If we find wrongdoing, some may conclude by extension that means that it's not value for money, but the value-for-money audit methodology is significantly different from an investigative methodology. So I don't want to make an inappropriate inference.

**Ms. Dipika Damerla:** Yes, I understand that. Fair enough.

**The Chair (Mr. Norm Miller):** You're on your last minute.

**Ms. Dipika Damerla:** I'm on my last minute, so I just want to ask, if you had to say two things that you learned from this forensic investigation of Ornge, what would they be?

**Mr. Allen Tait:** Wow.

**Ms. Dipika Damerla:** I'll make it one; it's okay.

**Mr. Allen Tait:** It was a very interesting intellectual challenge as an investigator to take on this large entity

and to structure methodology to get down to the root solution—that was quite stimulating—the challenge of looking at the paper document and reconciling it back to the cash to do what we call a two-way investigator approach to ensure that we hadn't missed significant issues. Those were the two things I found quite interesting in the methodology that we can carry forward in other engagements.

**Ms. Dipika Damerla:** Thank you.

**The Chair (Mr. Norm Miller):** Thank you very much. We'll move to the opposition. Mr. Klees.

**Mr. Frank Klees:** Mr. Tait, thank you for joining us today. I'd be interested in your reaction, based on your investigation, and if you consider the following statement credible: Any of the money that was used by any of the for-profit entities in this corporate conglomerate was all unrelated to Ministry of Health funding and was strictly generated through private investors.

**Mr. Allen Tait:** Mr. Klees, I just want to get clarity on your question. When you make the reference “generated by private investors,” does that mean actively soliciting money from external sources?

**Mr. Frank Klees:** Any external sources other than the Ministry of Health.

**Mr. Allen Tait:** The external sources were the roughly 6% we identified. In terms of the business model, there was a business model designed and they were in the process of executing the business model.

To an extent, I have to defer this. In the report, it will document the monies we identified and how they were flowed. You could get people who would look at the facts that we have identified as investigators. There are maybe some who would actually support that model; there would be some who would not agree with that model. That gets into the notion of trier of fact, and that is something where, as an investigator, it's really inappropriate for me to come to a conclusion on whether I personally agree or disagree with what was done.

As the investigator, what I can tell you is that our work has documented where the money went and how it was transferred between the entities in that. There are individuals who need to know for operational purposes; they can look at the facts we have gathered. It is appropriate for them to make a decision on what was and what was not appropriate.

**Mr. Frank Klees:** I'm not asking you to make a judgment about what was appropriate or inappropriate.

**Mr. Allen Tait:** Okay.

**Mr. Frank Klees:** My question is this: Based on your investigation, did Ministry of Health funds flow into any of the for-profit entities?

**Mr. Allen Tait:** Yes.

**Mr. Frank Klees:** Okay. I'd like to discuss the commercial terms. Did your investigation deal with any relationships that shareholders, employees or board members of the Ornge conglomerate have to any real estate transactions or financial transactions that Ornge undertook?

**Mr. Allen Tait:** In the section of our report on the corporate structure, we did spend a significant amount of time documenting the board membership of each individ-



ual entity, so we do have charts in the report that are able to identify who belonged to what board. When someone would look at the cash flow, you would then be able to see the extent of, shall we say, common interest. Those types of facts are documented in the report.

**Mr. Frank Klees:** So you did find some common interests?

**Mr. Allen Tait:** There were some board members who were on a significant number of the 20 entities in the conglomerate. We didn't find anyone who's on all 20, but we certainly did find some who are on more than half.

**Mr. Frank Klees:** There was one transaction that involved the acquisition of a hangar in Hamilton.

**Mr. Allen Tait:** Yes.

**Mr. Frank Klees:** We have information that one of the key employees of Ornge, I believe Ms. Renzella—

**Mr. Allen Tait:** Yes.

**Mr. Frank Klees:** Her spouse actually owned that hangar. Can you confirm that was the case?

**Mr. Allen Tait:** I can confirm that we looked at that in our investigation. I can confirm that we did verify that fact. We did look to see if there's a conflict of interest declaration declared and we determined—the documentation we had was that there was a verbal declaration of the conflict and we did not find evidence that that executive had signed on any documentation in relation to that hangar.

**Mr. Frank Klees:** With regard to any of the financial interests that you found that board members or key executives may have had, did you find a consistent declaration of conflict in writing?

**Mr. Allen Tait:** No.

**Mr. Frank Klees:** Were there any?

**Mr. Allen Tait:** To the best of my recollection, there were some, but I would not consider it complete.

**Mr. Frank Klees:** I'd like to speak about the bond offering, the \$275-million bond offering that was floated, and then a \$30-million debenture that was floated. You're familiar with these offerings; you've read, I'm assuming, that bond offering. As I read it, any investor looking at that bond offering would have concluded that the government of Ontario stood behind that offering and the comfort that I would take as a potential investor is that I would be very secure, as an investor, because of the role that the government of Ontario is playing as the sole funder of Ornge. Would you agree with that conclusion?

**Mr. Allen Tait:** I have difficulty commenting on it, because I also believe that any investor has a duty to do their own personal due diligence, so as an investigator I'm not sure it's appropriate for me to comment on the due diligence of a potential investor in any investment, aside from they would do their own due diligence.

**Mr. Frank Klees:** From your perspective, though, as a forensic investigator—if I'm an investor, the due diligence I would make is that I would read the bond offering. If in fact the bond offering makes it clear that the government of Ontario is the sole funder of this organization and I did my due diligence and found out that, in fact, Ornge itself, as the entity, is a shell—there

was no other revenue, there's no history to any other revenue—the conclusion would be that I'm really doing business with the government of Ontario. Isn't that right?

**Mr. Allen Tait:** If a potential investor wants to form that conclusion, I would have to have that conversation with that potential investor.

**Mr. Frank Klees:** Okay. I'd like to talk about the loans. The loan documentation that we've seen—I'm sure they're the same ones, I would think, that you saw. Chris Mazza pledged shares of, in one particular case, I believe it was Ornge Peel securities. We were told by Mr. Beltzner that at the time that he accepted, as chair, those pledges to secure that loan, Mr. Beltzner represented that the value of those securities was somewhere in the range of \$200 million. Did you, in your investigation, find any evidence of any value of those shares that were pledged? Was it \$200 million, or did you find any value in any of those shares?

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**Mr. Allen Tait:** In terms of the security that was pledged, our focus on the debenture issue was how the monies were actually used. I do not recall getting into that piece of that particular issue.

**Mr. Frank Klees:** So you didn't see the actual loan documents when Chris Mazza was advanced, in one case, \$450,000? Another was \$500,000; another was a \$250,000 advance of his bonus. Did you not see those documents?

**Mr. Allen Tait:** My investigator who was in charge of that section—I do recall, like, those were the three transactions. We focused on what the authorization was for those particular loans, and I have commented on that. At this stage, I do not recall details beyond that level.

**Mr. Frank Klees:** There are certain bylaws that the organization was operating under. Did you review the bylaws that were to have guided the directors of Ornge?

**Mr. Allen Tait:** We did not do an investigation of the performance of the directors and their compliance with those bylaws per se. When we looked at some of the transactions or some of the issues that were of concern, we would look at how the director dealt with that particular allegation issue. So it does get back to the point that you're raising, sir, but we didn't treat it as a specific allegation issue.

**Mr. Frank Klees:** The reason that I raise that is that those bylaws—I had a hard time following them. They would be issued and then amended. They would start off by saying that directors are to receive no compensation, and yet we see evidence of directors having compensation that goes far beyond what any not-for-profit organization might have.

In your investigation, did you specifically look at Chris Mazza's compensation and the various sources of his compensation within that conglomerate?

**Mr. Allen Tait:** Yes, we did, and we did look at other executives also.

**Mr. Frank Klees:** Can you just comment as to the appropriateness of the flow of funds? Were there red flags there that your investigation would have pointed to, that caused you concern?



**Mr. Allen Tait:** In our report, the reference we made to the specific—we did address the specific issue in our report. As I said, we summarized the executive compensation issue. We presented what the monies were. We've also presented what the rationale was for it, and we did make a statement that as for a value—this is a value-for-money issue. A reader can look at the facts and they're definitely going to form their own opinion as to whether or not it's a value-for-money issue. Again, we're not going to do a civil investigation on value for money per se, but we have got the information there for those to make those judgments.

**Mr. Frank Klees:** Your investigation would have taken you to the so-called marketing service agreement—the agreement between AgustaWestland and Peel.

**Mr. Allen Tait:** Yes, yes. I know what you're referring to, yes.

**Mr. Frank Klees:** The flow of funds, as we have had it positioned with us here in the committee, was that Ornge overpaid on their contract for the aircraft purchase agreement, and that an equal amount of the overpayment was then redirected back to Ornge Peel. Did your investigation uncover any evidence of that?

**Mr. Allen Tait:** We have a detailed analysis of that cash flow. I do understand what you're saying. We do have documentation in there. I'm not sure how much I can say because, again, I'm not sure what is with the OPP.

**Mr. Frank Klees:** I understand. I was just interested, and it's reassuring, to know that those transactions, which are obviously of great concern to us, were dealt with.

Just one last question for you: Back in 2008, Mr. Keith Walmsley wrote a letter to Margaret Best in which he, as someone who was an analyst within Ornge, indicated that he had uncovered or had concerns about a number of things that were going on at Ornge. I understand that the audit team was brought in. Were you part of that team that then looked into transactions at Ornge, accusations of a double set of books, payments and so on?

**Mr. Allen Tait:** Yes, I can speak to the Walmsley letter.

**Mr. Frank Klees:** Okay.

**Mr. Allen Tait:** We were advised that there was a concern by Mr. Walmsley about a second set of books, and according to my paper file, November 18, 2008, I believe—it might have been 2008 or 2009. Because the allegation referred to a second set of books—now that has a very specific meaning in the world of investigation. What that means in our experience as investigators is, a company has got one set of books that they want to produce for, say, investors that shows a very rosy picture, and another set of books which might show a significantly lower income for, shall we say, tax purposes.

Our normal process when we have these types of allegations is, when we get a request for service, we log it, we have a number; we then assess what the allegation is, we assess what the rationale is for the allegation, what the basis is. If we believe there is actual evidence that would let us come to a conclusion on this particular

allegation, where if there's another method that would be more cost-effective—because investigations can be very timely and costly.

Given that there was an allegation of a second set of books, I assigned a team of two; we normally do an interview with two people. In their careers they have done second-set-of-books allegations, so I wanted to have qualified people interviewing Mr. Walmsley. They contacted Mr. Walmsley. The interview was conducted on November 20. We had it at a location that Mr. Walmsley was comfortable with. We digitally record the interviews; that interview was recorded. We also spent a little over an hour with him.

In that interview, it turns out that he had been with Ornge about three months. A lot of the information that he had he identified was basically from what he could hear from rather loud discussions in this open concept. He didn't have any documents per se that he could demonstrate, he hadn't actually performed these transactions he was concerned about when he was looking at the cash flow, and he also said he had two other witnesses who might be willing to come forward who could provide some stronger evidence. Unfortunately, those individuals weren't willing to speak to us.

Based on that information, I prepared a communication to HAST on November 25 where I summarized what had transpired in our interview with him. At that time on that evidence, I did not see sufficient grounds to launch an investigation for a second set of books. I did know that there was some ongoing work being done at Ornge. I shared the information with HAST and the next I was called in to HAST was on December 23.

**Mr. Frank Klees:** We have one minute?

**The Chair (Mr. Norm Miller):** One minute.

**Mr. Frank Klees:** Mr. Walmsley did make a number of other accusations about exorbitant bonuses and so on and so forth, and that was back in April 2008.

**Mr. Allen Tait:** Okay.

**Mr. Frank Klees:** In retrospect, we now know that many of the concerns that Mr. Walmsley had about what was going wrong at Ornge, even though he may not have had the particulars—if we had to do it over again, had we launched a deeper investigation of Ornge at that time, we could have saved a whole lot of agony and perhaps millions of dollars. In retrospect, Mr. Tait, would you have done it differently?

**Mr. Allen Tait:** I continue to follow the same process. At any given point in time, I will look at the evidence that I have, what the allegation is, what the evidence is, and if I believe the right thing to do is to investigate, I will recommend that the investigation occur.

In this particular circumstance, with the information that we had—I know there was ongoing work going in. I reported what we had. I did not see grounds to proceed. I know there was ongoing work going on, and—

**The Chair (Mr. Norm Miller):** And thank you very much for coming before the committee today, Mr. Tait. It's very much appreciated.

The committee is adjourned until next Wednesday.

*The committee adjourned at 1500.*











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ISSN 1180-4327

## Legislative Assembly of Ontario

Second Session, 40<sup>th</sup> Parliament

## Assemblée législative de l'Ontario

Deuxième session, 40<sup>e</sup> législature

# Official Report of Debates (Hansard)

Wednesday 29 May 2013

# Journal des débats (Hansard)

Mercredi 29 mai 2013

## Standing Committee on Public Accounts

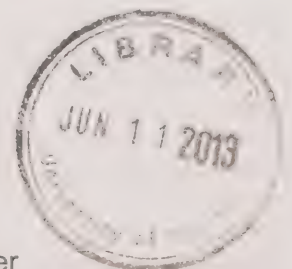
Special report, Auditor General:  
Ornge Air Ambulance and  
Related Services

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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
PUBLIC ACCOUNTSCOMITÉ PERMANENT DES  
COMPTES PUBLICS

Wednesday 29 May 2013

Mercredi 29 mai 2013

*The committee met at 0900 in room 151.*SPECIAL REPORT, AUDITOR GENERAL:  
ORNGE AIR AMBULANCE  
AND RELATED SERVICES

**The Chair (Mr. Norm Miller):** Okay, I'll call the committee to order, then. Before we have our first witness, I believe we have a motion which needs to be moved. Mr. Klees.

**Mr. Frank Klees:** Thank you, Chair. I move that the Standing Committee on Public Accounts requests the following documents from the Ministry of Health and Long-Term Care: The financial transactions as well as the line-by-line claims history of Dr. Chris Mazza over the time period of December 2006 until present, and that the information be broken down into manageable chunks, by month or by year.

**The Chair (Mr. Norm Miller):** Any discussion? All in favour? Agreed.

**M<sup>me</sup> France Gélinas:** Can I have a friendly amendment? If they want to submit it electronically so that it's easier for searching, that would work, too.

**The Chair (Mr. Norm Miller):** We'll vote on the amendment that it be submitted electronically. All in favour of it being submitted electronically? Agreed. Carried.

The motion is amended and carried, then.

MS. SHANON GRAUER

**The Chair (Mr. Norm Miller):** We have our witness for this morning, Shanon Grauer, if you would like to come forward, please. And to confirm that you received the letter for a witness coming before the committee?

**Ms. Shanon Grauer:** I do.

**The Chair (Mr. Norm Miller):** Very well. And I understand you're going to—

*Interjection.*

**The Chair (Mr. Norm Miller):** Please have a seat, and our Clerk will swear an oath with you.

**The Clerk of the Committee (Mr. William Short):** Good morning, Ms. Grauer. The Bible's in front of you there, if you just want to—thank you very much. Ms. Grauer, do you solemnly swear that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth, so help you God?

**Ms. Shanon Grauer:** I do.

**The Clerk of the Committee (Mr. William Short):** Thank you.

**The Chair (Mr. Norm Miller):** Very well. I believe you have a short opening statement. When you're ready, go ahead and do that, and then we'll have questioning by the parties.

**Ms. Shanon Grauer:** Thank you for inviting me to appear before your committee. As you know, my name is Shanon Grauer. I am a partner of the law firm of McCarthy Tétrault LLP and have been since 1984. I work in the business law group of the law firm and have a subspeciality in health regulatory matters. I also teach on a part-time basis as an adjunct professor at the Institute of Health Policy, Management and Evaluation at the University of Toronto, and have done so since 2001.

I am here because of my former role as a director of Ornge, then Ontario Air Ambulance, from February 2005 to October 2007. My role as a director was in my personal capacity and not on behalf of my law firm or the university. I thought the experience of being a director on an organization providing emergency medical care would provide a unique opportunity to apply my skills and also provide me with greater insight about board governance from the perspective of a director, as opposed to that of a lawyer or a teacher.

I understand that my name was given to Dr. Mazza in 2005 by Lynne Golding of Fasken's as a possible candidate to join the board of Ontario Air Ambulance, as it then was. I know Lynne professionally as we work in similar areas of the law.

I was interviewed by Dr. Mazza in January 2005 to see if I would be an appropriate candidate, and was then invited to join the board.

The other directors on the board during the period I was involved included Rainer Beltzner, Dr. Mazza, Luis Navas, Rick Potter, Dr. Bob Lester, Hamish Smith, Lorne Crawford and Enola Stoye.

As we were a new board to a new entity, the tasks that we dealt with primarily included mission, vision and values analysis; governance documents, including letters patent and bylaws; policies; CEO compensation arrangements; establishment of committees; board education; and the performance agreement with the Ontario government.

I also briefly served on the audit committee of Ornge that was established in 2006 and attended three meetings of the audit committee. The other members of the audit



committee were Rainer Beltzner, Dr. Mazza, Maria Renzella, Enola Stoye and Hamish Smith.

As a director, I was paid \$1,000 for each board meeting I attended, and as a committee member, \$250 an hour for committee work.

During my tenure on the board, Ontario Air Ambulance changed its name to Ornge, and Ornge was the only entity of which I was aware. It was a not-for-profit entity, not a charitable organization, throughout my tenure as a director.

I'd be happy to answer any questions that you may have.

**The Chair (Mr. Norm Miller):** Very well. We shall start with the opposition. I guess we would have 20-minute periods and then see what's left after that. Go ahead, Mr. Klees.

**Mr. Frank Klees:** Thank you, Ms. Grauer, for being here with us today. We have had, as you know, a number of directors from the board appearing before the committee over the last number of weeks. The reason for that is that given the history of what happened with Ornge, as a committee we're very concerned about how things could get off the rails the way they did. The board of directors had very specific responsibilities, so it's of interest to us to know where the board of directors was as this corporate entity began to grow.

You joined the board in 2005.

**Ms. Shanon Grauer:** Correct. February.

**Mr. Frank Klees:** And when did you resign?

**Ms. Shanon Grauer:** My last board meeting was early October 2007.

**Mr. Frank Klees:** I use the term "resign." Did you resign or were you asked to leave or were you asked not to come back? How did that happen, if you could just tell us.

**Ms. Shanon Grauer:** Mine was sort of an interesting departure, in the sense that we had two-year terms, and there were also board reviews done by outside consultants. The chair of the board asked to meet with me and I met with him on September 11, 2007. Part of the purpose for that meeting was a debrief from the board consultants. At the end of that meeting, I was advised by the chair that I would not be serving a subsequent term. In effect, technically, I think, mine was an expiry of my term, but I was not invited to serve a subsequent term.

**Mr. Frank Klees:** You're very diplomatic in terms of how you describe that. Were you surprised that you weren't asked to continue?

**Ms. Shanon Grauer:** Yes, I was. I wasn't expecting that, so, yes, I think I was surprised. I felt pretty low when I left that meeting because I had worked hard during the two and a half years. There's a learning curve with any organization to understand how it works, and I sort of felt that I was just up the learning curve, basically. So I was disappointed.

**Mr. Frank Klees:** You referred to a debrief from the board consultant. This was an outside consulting firm that—

**Ms. Shanon Grauer:** Yes.

**Mr. Frank Klees:** What was it about, that debrief? Do you recall any specific concerns that perhaps were raised by these consultants that would affect your reappointment?

**Ms. Shanon Grauer:** I don't believe I got any details out of the board debrief. What I was basically told was that Dr. Mazza did not want me to continue on the board.

**Mr. Frank Klees:** Did you ever think that perhaps the reason you weren't asked to come back was that you were working too hard?

**Ms. Shanon Grauer:** That, frankly, didn't cross my mind, but I know at times Dr. Mazza did not appreciate my asking questions—not that I thought I had the most penetrating questions in the world, but I seemed to irritate him by asking questions.

**Mr. Frank Klees:** Can you give us an example of some of these questions that—

**Ms. Shanon Grauer:** Sure. In a board meeting—I believe it was either end of December or early January 2006—Dr. Mazza made reference to an opinion that Fasken's had rendered. Being a lawyer, naturally my ears pricked up and I thought, "Gee, that's a good thing for me to take a look at as a lawyer on the board."

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The board had been constituted, by the way, to have a pretty interesting distribution of skill sets. There wasn't any duplication when I was on the board. It was a real cross-section of skill sets.

I asked if I could see the opinion. Dr. Mazza was not very happy with that request. I remember that at the board meeting, the other board members finally said, "Just give it to her." And I did get it a couple of weeks later. That was an example of a tension, if you like.

**Mr. Frank Klees:** Can you tell us what that opinion was about?

**Ms. Shanon Grauer:** Sure. It was an opinion given by Lynne Golding and it was contemplating setting up a different structure than just the one not-for-profit entity. As I recall, it was going to have a charity at the top, a not-for-profit under it and a for-profit under that, so three boxes stacked vertically. I think that the plan was to turn the not-for-profit into the charity. The reason one had to interpose a not-for-profit in between is that the legislation at the time here in Ontario included the Charitable Gifts Act, and it prohibited a charity from owning more than 10% of another organization for more than seven years. So the legal fix was to always interpose a not-for-profit, because the not-for-profit could own the for-profit.

That was, I guess, the very start or preliminary thinking of ways in which Ornge could perhaps get more revenues, because there was certainly concern that Ornge should look for other ways to obtain revenues and not be 100% dependent on the government.

**Mr. Frank Klees:** After reviewing that opinion, did you have any concerns or did you raise any issues at the next board meeting regarding that opinion or the proposed restructuring?

**Ms. Shanon Grauer:** I did not. It seemed like the opinion was fine from the standpoint of the legal hat. The



other meeting I recall where the issue of a possible restructuring of Ornge took place was on a board retreat in April 2007. At that board retreat, Dr. Mazza went through some discussion about what might be coming. I think there may have been only one other board meeting I was at before I was off the board, so I did not get an opportunity to really delve into the grand plan that was being formulated.

**Mr. Frank Klees:** That overview that Dr. Mazza gave at that retreat—can you just tell us how far-reaching that was? Was that the beginning of a more complex structure?

**Ms. Shanon Grauer:** Yes, it was.

**Mr. Frank Klees:** If you can just tell us, to the best of your recollection, what that was.

**Ms. Shanon Grauer:** I certainly will do my best, but it has been six to eight years since I was on the board and I didn't go through everything I had in preparation for the meeting. It was basically to look at creating, I think, at that time, one for-profit entity. What I recall was the idea of separating the board into the board that would serve on the charity side versus the part of the directors that would serve on the for-profit side. There would have to be recruitment of more people to help with the board structures of the various entities.

**Mr. Frank Klees:** Was there a discussion that there would be common directors on both boards?

**Ms. Shanon Grauer:** I don't believe there was. I think there was a desire to actually separate the governance of the two, because serving on a charity, as I'm sure you know, you cannot receive any board compensation. That wasn't, perhaps, the driving factor. Some directors, I presume, would have preferred to be on a for-profit entity and not be subject to that restriction.

**Mr. Frank Klees:** Just to get clarification on that: The charity, by this time, had already been formed. Is that correct? It had been incorporated?

**Ms. Shanon Grauer:** No. In fact, this was just very, very preliminary thinking. It was the first time really, in the April 2007 board meeting, that the board was given a heads-up of what was coming potentially for consideration.

In doing some due diligence since my departure and the problems that have surfaced with Ornge, I was curious to find out when Ornge became a charity as opposed to a not-for-profit, and it appears that that happened in 2008.

**Mr. Frank Klees:** So in that April 2007 board meeting that you're referring to, by that time Ornge had already received another opinion from Fasken Martineau dated February 21, 2007, and this was provided by Mr. Giorno. It relates to the creation of Newco and Shareco, and it speaks rather extensively about what is referred to as a proposed \$1.6-million loan to Shareco from Ornge. Do you recall that transaction?

**Ms. Shanon Grauer:** I do not know anything about that, nor did I ever see that opinion, nor was it referenced.

**Mr. Frank Klees:** In that, just out of interest, obviously the question had been asked about the appro-

priateness of Ornge advancing a loan of \$1.6 million for a start-up to the commercial corporation, as it's referred to, and in the memorandum, there are some serious concerns that have been raised by Mr. Giorno regarding the appropriateness. He speaks about fines, up to 12 months' imprisonment, or both, if in fact this transaction was found to be offside. It's just interesting that an important memo like this would not have come to the attention of the board.

In your time on the board—I know you told me that you got into trouble for asking questions—were there other circumstances that come to mind where you saw things happening or decisions were taken where you felt you didn't have the appropriate backup information so that you as a director could make a reasonable decision on this?

**Ms. Shanon Grauer:** There is one that sticks in my mind, and it was in 2006. This was a board meeting at which the topic of the rebranding of Ontario Air Ambulance came up, and it really didn't directly involve financial issues; it involved the branding and the image of the organization. At that board meeting, consultants who had been engaged by management to advise on what would be an appropriate new name and what would be the image and rollout strategy for rebranding spoke to the board.

This is probably debatable, because I suspect some management would say that's their prerogative, but I happen to think that something as significant as branding really was a board decision, and I felt at that meeting that the decision had already been made and we were simply being informed of it and then being asked because of the requirement to have member approval to amend letters patent to approve it. I happened to mention at one of the board reviews in 2006, to the chair, that I was not happy that that had been the approach, that I thought the board should have been more involved in the decision-making. I went so far as to suggest at the meeting that if they were determined to do that, they should basically say, "Ornge, formerly known as Ontario Air Ambulance," because I thought it was important to draw the connection, but that was not taken up so it just became Ornge.

**Mr. Frank Klees:** What was the reaction of the chair when you expressed your opinion about that?

**Ms. Shanon Grauer:** He just thanked me for my input. He didn't say much.

**Mr. Frank Klees:** When the discussion came about for the restructuring, of that first restructuring, where discussion came about for that first commercial corporation or for-profit entity, did the issue of transferring executive salaries into that new entity ever come up?

**Ms. Shanon Grauer:** In the April retreat meeting?

**Mr. Frank Klees:** Or at any time, really, while you were on the board.

**Ms. Shanon Grauer:** It certainly wasn't before April. The only time it might have come up was April, and I don't remember that specifically. I simply remember the sort of—Dr. Mazza had a board to draw on, and he was drawing sort of a graph of what might the new organiza-



tion look like, and it was more talking at the governance level with the board and what would happen to the boards, as opposed to getting into the executive side.

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**Mr. Frank Klees:** When you—and I’m assuming that you’ve seen the media and the reports on this and you’ve seen the spawning of the numerous for-profit companies—

**Ms. Shanon Grauer:** Yes.

**Mr. Frank Klees:** And the fact that salaries of executives had been shifted out of the not-for-profit into the for-profit and as a result, these salaries were no longer being disclosed. What was your reaction when you heard that?

**Ms. Shanon Grauer:** I was quite shocked and surprised because you can imagine, in my involvement there was one entity; it was a not-for-profit. Then to read about the number of entities—I thought that was quite amazing, actually. I still wonder how Ornge evolved into that, as I’m sure everybody here does, too.

**Mr. Frank Klees:** Other people, executives as well as directors, have commented about Dr. Mazza’s personality and how engaging he was, and dynamic and charismatic. Then it turned out that we have this Dr. Jekyll and Mr. Hyde creature who, with all of the spoken good intentions, really ended up leading the destruction of a very important organization.

Did you ever, in the course of either when you met him or as you observed him as a member of the board, have a sense that Dr. Mazza has some difficult parts to his personality and may just be making some decisions that are inappropriate, or at least questionable?

**Ms. Shanon Grauer:** I think Dr. Mazza is a complex individual. When I first met him and was first on the board in 2005—he is very charismatic. He came with a very impressive background, as you know: an emergency medical physician from Sunnybrook; an MBA; having been the brainchild behind the idea of centralizing the air ambulance facilities in Ontario—a very persuasive, energetic man.

It was, I can tell you, a real privilege in the first year on the board of Ornge air ambulance because it had such an energy and such a mandate to centralize and get this whole project up and running. I think the highlight for me was the February retreat in 2006—or, it was the end of January 2006—when the board was together for two and a half days and really focused on, “What were we going to be? How were we going to do it?” It was just all the good stuff.

I can tell you that when Dr. Mazza’s son Josh died, it profoundly affected the man. I do not underestimate that. I hope none of us ever have to go through what he went through. I remember attending, with the chair and with Enola Stoye, the funeral, because we were trying to support Dr. Mazza, and he was very broken. It was a very emotional funeral. I’m sure that it’s had a profound effect on him, and will continue to.

The tension, I think, was that he had a vision, he had a desire, and we wanted to continue to help get that con-

tinuing mandate to run air ambulance going and developing. There were instances where questions would be raised of succession planning. I think it would be imprudent of a board not to think about succession planning. What happens if something happens to your CEO, especially a CEO that’s so pivotal to this organization? We kept coming back to that he had the vision and the interest to do this, so we kept supporting him in his role as CEO.

There definitely are stresses in his personality. One example I remembered in preparing for today early on was—again, I think it was in 2006. The board was presented by Luis Navas with a balanced scorecard that we would use to evaluate CEO compensation, and I personally hadn’t seen a balanced scorecard before. What was done at that board meeting was we asked Dr. Mazza to leave the room while the board had a sort of in camera session talking about the proposed evaluation matrix.

I kept asking questions of Luis because Luis was our compensation expert on the board. The time flew by and it was about 45 minutes. Well, when Dr. Mazza came back in, he was extremely upset that we had taken so long because he couldn’t understand what the problem was. I remember saying to him, “This isn’t about you. This is about the board learning what the appropriate thing to do is to measure compensation,” because he was not a happy fellow that he had been excluded from that for so long.

**The Chair (Mr. Norm Miller):** We are out of time, so we’ll move on to the NDP. Ms. Gélinas.

**M<sup>me</sup> France Gélinas:** Thank you. Welcome to Queen’s Park, and thank you for coming.

My first question is your impression as to—you were joining a not-for-profit health care organization on a board and you were paid \$1,000 per meeting back in 2005. Any trigger at all that—in your work as a lawyer and as a teacher, you’ve dealt with many, many health care organizations, and none of them pay their board members. How did you handle that part?

**Ms. Shanon Grauer:** It’s a good question. I wasn’t expecting any compensation when I joined the board. I was not doing this to be paid. If I wanted to earn more money, I would have stayed practising law, because my hourly rate from Ornge was substantially less than what I could have done by sitting in my office. It was something that was simply proffered to the board at large, that this was what Ornge was going to pay its board and its committee members.

I think the substantial difference in my practice dealing with health care organizations is that the hospitals are all charitable organizations. They have to be in order for their foundations to be able to give money to the hospitals, because foundations can only give to other qualified donees. As a director of a charity, you cannot receive any remuneration; it’s contrary to all the fiduciary duties. So that’s the legal explanation why organizations like hospitals and their directors receive no remuneration, whereas this was a not-for-profit. It was not improper legally for that, and I presumed that this was



some kind of recognition of the amount of energy and work that would be taken by directors. So it was like an honorarium, in my mind.

**M<sup>me</sup> France Gélinas:** Okay. Do you know where it came from?

**Ms. Shanon Grauer:** I assume it came from Ontario Air Ambulance.

**M<sup>me</sup> France Gélinas:** No, I meant who decided that this not-for-profit health care organization was going to pay their board of directors to attend meetings?

**Ms. Shanon Grauer:** I believe it was from Dr. Mazza.

**M<sup>me</sup> France Gélinas:** Okay.

**Mr. Jagmeet Singh:** What was your yearly compensation?

**Ms. Shanon Grauer:** It's a good question. I thought this might come up, and I actually went back to my tax returns; just give me a second. I'll find it; it varied. If you average it, it was below \$5,000 a year. I think the first year it was around \$3,000, the second year around \$5,000 and the third year around \$6,000. It came up to about \$14,860 in total for the time I was there.

**Mr. Jagmeet Singh:** Thank you.

**M<sup>me</sup> France Gélinas:** Let's take you back to the board retreat in April 2007. You're a member of the board. You're a member of governance. You know what governance is; you teach it in university. Governance sets the strategic direction. They decide where an organization is going to go. But you are telling us that it was Dr. Mazza who was telling the governance where the organization was going to go. Could you explain the disconnect here?

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**Ms. Shanon Grauer:** It's an interesting dilemma here, because the organization was founded at the behest of Dr. Mazza and his work to try and centralize the air ambulance services in the province. I think he lived and breathed this mandate. I think he had the desire to continue to evolve and try and grow the organization, so he took it upon himself to develop that strategy.

I have subsequently very much wondered about governance. My own view is that perhaps we had an upside-down governance structure, because most times, you have, in the not-for-profit world, members who then elect directors who then elect officers. In our case, we seem to have the CEO recruit the board and decide who got to stay or not stay on the board. We had a closed model of membership, which means that the directors and the members were one and the same. It's not an unusual structure to have, but having the CEO in the pivotal role of inviting people on the board and then having them not stay suggests to me that the governance perhaps was inverted.

**M<sup>me</sup> France Gélinas:** I'd agree. There were some knowledgeable, high-profile people such as yourself on the board. Nobody clued in that this thing is upside down, that the governance should be setting the strategic direction and should be directing the CEO as to where Ornge should go and not the other way around? Was this ever talked about?

**Ms. Shanon Grauer:** I don't think it was as blatant then as perhaps, with hindsight, it may have become. It's an interactive process. There are many powerful, excellent CEOs who interact with their boards and put forward ideas. It's not unusual, in that respect.

The kinds of topics we dealt with when I was on the board were not that unusual or difficult. They were CEO compensation arrangements, which—by the way, during my tenure, Dr. Mazza's salary was in the \$300,000 range, so it was not out of whack.

The performance agreement, which Ornge had outside counsel assisting on and which was a negotiated document—Dr. Mazza did get the input of the board in it. In the early days, it was more interactive, which I think is normal.

I can remember, too, my last meeting with the chair. My final comment to him—and I don't know whether it was a sixth sense or what, but when I learned I was not going to be on the board, I said to him, "You have a strong CEO. You need a strong board." That was my final comment to the chair. I was always worried about the balance of—you need a strong board to interact with a strong CEO.

**M<sup>me</sup> France Gélinas:** During your time on the board, were you aware of any communication with the ministry, either through the performance agreement, through the giving of the budget, through—did you know if there was any line of communication as to what was going on in this brand new multi-million-dollar transfer payment agency versus the ministry?

**Ms. Shanon Grauer:** Certainly around their performance agreement, there was an active role, again, by management with the ministry: they were negotiating it. Dr. Mazza was very much hands-on with that role, in negotiating the performance agreement. But other than that, I can't—and also at the very beginning, of course, when the assets were rolled out into air ambulance and Fasken's was involved in negotiating for air ambulance, that asset transaction, to legally roll the units out of the ministry and into this new company. So there was interaction there, but on a regular basis, except for sort of those two items, we didn't see much interaction with the ministry.

**M<sup>me</sup> France Gélinas:** When the ministry transferred the budget, they transferred it to the board, not to the CEO. How was that handled?

**Ms. Shanon Grauer:** Well, we had outside accountants who were auditors. We had an audit committee. We had financial statements, and we did what a board, I think, normally does, which is hear reports from the CFO and look at the financials and ask questions, if we had any.

**M<sup>me</sup> France Gélinas:** Did any question ever come from the ministry to you, as in to the board?

**Ms. Shanon Grauer:** No.

**M<sup>me</sup> France Gélinas:** No? Did you ever have any questions for the ministry from the board?

**Ms. Shanon Grauer:** No.

**M<sup>me</sup> France Gélinas:** So no relationship at that level whatsoever?



**Ms. Shanon Grauer:** None.

**M<sup>me</sup> France G  linas:** Okay. And when the performance agreement was presented to you, were there any issues, as in, "Well, we're not happy with this thing," or "We really had to negotiate this hard," or "I think we have something good"? What was shared with the board at that level?

**Ms. Shanon Grauer:** We were each given a copy of the agreement, and I think we each read it. My recollection of the primary focus for the board was on what the performance standards were, which I think were in a schedule to the agreement, and were we going to be able to meet those to ensure continuous funding, because it would be a very short life if we went offside those performance standards and not get subsequent funding annually.

**M<sup>me</sup> France G  linas:** So you really understood that in order to continue to have funding, you had to do what was in your performance agreement, and that if you were not to do what was in your performance agreement, the government had ultimate control to say, "You're not getting any more budge anymore."

**Ms. Shanon Grauer:** Correct. Right. So we were very targeted on making sure that, as best we could, those indicators were all met.

**M<sup>me</sup> France G  linas:** And you also understood that the ministry had ultimate power to make sure that you continue to exist or not?

**Ms. Shanon Grauer:** Yes. My recollection is, there are provisions in the agreement that if there were breaches of those standards, they could choose not to fund.

**M<sup>me</sup> France G  linas:** I'm sure you've read the article that was dedicated to you in the paper as to, "Ex-Ornge Director Describes 'Stunning' Request for Her Resignation." You've read the article, I take it?

**Ms. Shanon Grauer:** I have.

**M<sup>me</sup> France G  linas:** And how accurate is it?

**Ms. Shanon Grauer:** Fortunately for me, I was on page 19 of the Globe. That was the front page and that was dedicated to Enola Stoye. Enola was on the board and also asked questions. I remember one situation where—I think it was the beginning of discussions about the foundation—J Smarts, I think it's called. She was, I thought, doing a good job because she asked, "Do the objects in air ambulance's letters patent give the organization the power to do this? Is it part of its objects, because?"—well, this isn't going to be the case for much longer once the new not-for-profit statutes are proclaimed in force. Presently, we still have old fashioned objects for not-for-profit and charitable companies which limit what they can do, and Enola, I thought, had asked a good question. I was trying to also help her with that in the board meeting.

Somewhere in the process, Dr. Mazza got quite upset with that direction, and it was after that board meeting that I recall he asked Enola to stay behind, and I don't believe Enola came back to any future board meetings. I don't know exactly what happened, but I know she

resigned in January 2007, or it was—her resignation was presented to the board. I have a feeling, knowing what happened to me, that perhaps for face-saving reasons this was presented as a resignation, but I believe, in the article in the Star, that—or the Globe; I'm not sure which now.

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**M<sup>me</sup> France G  linas:** The Globe.

**Ms. Shanon Grauer:** The Globe—that she was asked to leave.

**M<sup>me</sup> France G  linas:** She was asked to leave because she—were you there during the meeting where Dr. Mazza was talking about taking money from Ornge to start up the charitable J Smarts?

**Ms. Shanon Grauer:** He certainly was talking about setting up J Smarts. I don't think we got to the level of detail about where the money was going to come from, but it wouldn't surprise me that it might come from air ambulance. I guess the discussion was: Did it have an educative effect? Was this organization going to help reduce injuries among young people by educating them and therefore avoid having to do airlifts of injured young people, in the sense of the educative role of going around trying to encourage people not to take high risks in sports?

**M<sup>me</sup> France G  linas:** You had a role in Ornge. You were there with some of the people who stayed all the way to the end. You knew Dr. Mazza. You were there when his son passed. You saw the changes in him. You know why we're here today. It didn't turn out so good, did it?

**Ms. Shanon Grauer:** No.

**M<sup>me</sup> France G  linas:** Can you help us understand? What's your best guess as to what went wrong?

**Ms. Shanon Grauer:** I think it's probably—and you probably have a sense of this from all the hard work you've done—it's not any one factor; it's got to be a number of factors. It's the personality of Dr. Mazza, in part, because he's such a dynamic person who wants to achieve something; it's the terrible, unfortunate things that have happened to him personally with his son; it's a desire to try and find more than one source of funding to operate the organization with. We all know that the Ontario government has a big deficit and that it's hard for more funding to go to health care. So I don't think the board thought it was imprudent to look at the possibility of alternative funding sources, because it would take some burden off the government and give some additional support to the organization. But I think perhaps some of the advice given and relied on might have been questionable in the sense of forgetting that you're dealing with a not-for-profit organization and you're dealing with, in 2008, forwarded charity.

There are people who, in my experience, are very fine lawyers in the for-profit world, and yet, the way our for-profit charitable world works, there are other rules legally that apply to them. It's not an easy thing to take your skill set from the for-profit side and move it to the not-for-profit charitable side. Sometimes when you try that, you lose sight of what's important on the for-profit charitable



side. Perhaps there's some of that in this as well: that maybe some of the advisers came from the for-profit side and didn't appreciate the need to be extra careful and the ramifications on the not-for-profit charitable side.

**The Vice-Chair (Mr. Toby Barrett):** We have about a minute left.

**Mr. Jagmeet Singh:** Continuing with that same vein, what would you have done differently if you could have gone back in time and told your old self, "Listen, watch out for this," or, "You should ask more questions about that"? What areas would you have liked to ask more questions about or done differently?

**Ms. Shanon Grauer:** I really don't know how to answer that because I haven't seen any of the opinions or legal work that was done after I left. That whole structure evolved after I left, so it would be really kind of disingenuous of me to try to even hazard a guess. I suspect that if I had stayed on the board, I would have kept on asking questions and probably gotten myself into more concerns. I just know, from having worked in the not-for-profit charitable sector, it's a very special sector, and you have to be very cognizant of the special rules around it.

Also, primarily, the Canada Revenue Agency—I'm not a tax lawyer but, fortunately, in my firm we have got some wonderful tax lawyers who do know this area and have helped guide me. These creatures are there in part because of the Income Tax Act, in large measure.

Not-for-profits are not supposed to accumulate surpluses. They're supposed to use the money for their purposes. Charities are obviously to use their money for their charitable purposes. So one of the things I think I could say I would have questioned was: Is the purpose for which the money of the charity was being used in line with the Canada Revenue Agency rules? That would have been one thing I would have asked.

**The Vice-Chair (Mr. Toby Barrett):** Thank you. If we could go to the government members.

**Ms. Dipika Damerla:** Thank you so much for coming here today, Shanon. I know it has not been easy for you.

I heard your testimony earlier, and what came out was that you were told that you cannot continue on the board because Dr. Mazza didn't want you to continue. Tell me: At that point, did you ask, "Well, what do the other board members think?" Because surely something like this cannot be the decision of one person on the board. There has got to be unanimous consent if you're going to fire somebody. I'd like to get your perspective on what that dynamic was.

**Ms. Shanon Grauer:** It's a good question. Legally and technically, if I had wanted to put up some kind of rear-guard action, I would have asked for a members' meeting and then asked for the members' input, because members are the ones that appoint and terminate directors. But in the environment, that probably—it would have been an interesting thing to do. I did not think to do it at the time.

What I did think to do afterwards was, I reached out to the third-party consultant who had done the last 360

board review and asked if I could see my results—I didn't want to see anybody else's—to see what the other board members had said about me. They said it was confidential information to Ornge and they would have to get consent from Ornge to release it to me. When they followed up, they could not get the consent. So, to this day, I don't know if I was a good director, a bad director, or indifferent, as far as my fellow board members.

**Ms. Dipika Damerla:** What does that illustrate about the relationship between the board and Dr. Mazza, the fact that one man could decide who continues on the board and who doesn't? What did that illustrate—I'm trying to understand. That one incident: What does it say about the board's ability to govern?

**Ms. Shanon Grauer:** I go back to your colleague's comment about governance, and my answer that I think, in hindsight, it looked like an inverted governance model to me.

**Ms. Dipika Damerla:** I understand that it was an inverted governance model. My question, I guess, then, is: What was the board doing to correct that? Because, clearly, you were aware that the governance was upside down while you were one of the board members.

**Ms. Shanon Grauer:** I don't think I was aware until after. I think it's my reflection upon the experience and what has happened subsequently.

The meeting at which I was told I was no longer wanted on the board—it did come as a surprise to me, and I felt, as I mentioned, fairly low about that. I think that was one of the things that has led me to the conclusion I mentioned. I don't think that while I was a director, I thought we had an upside-down governance structure. I thought we had a very strong CEO and that the board was trying to interact accordingly.

**Ms. Dipika Damerla:** Can you tell me why, when you were on the board, you didn't think the governance was—well, maybe not as strong a word as "upside down," but that perhaps it wasn't as strong as it could have been?

**Ms. Shanon Grauer:** Well, bear in mind—

**Ms. Dipika Damerla:** And I'm not talking about your role, because clearly you were among the ones who were doing your duty. I'm just getting a sense of the entire board, so this is not about your performance.

**Ms. Shanon Grauer:** The board at large—bearing in mind that during my tenure, I attended 10 board meetings, two retreats, and I think there were three quick board phone calls. That's the subset of time we're talking about.

There were different approaches by directors. Some were asking questions and others were more listening and evaluating, but I think each one—and I come back to the January 2006 board retreat—was very committed to trying to do a good job. I remember in that retreat, we had a third party leading the retreat to help the board in its educative role, each person getting a couple of minutes to talk about what they thought their role on the board was. People were referencing their various skill sets and what they would try to do to make sure that air ambulance did the right thing.



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It wasn't readily apparent that the board was somehow failing in governance during that period. It was a dynamic between a strong management and a board that was learning the ropes, so to speak.

**Ms. Dipika Damerla:** With the Enola Stoye incident, did you twig off that perhaps she didn't go voluntarily and that the resignation, as you said, was face-saving? Was that apparent to you at the time?

**Ms. Shanon Grauer:** I was quite shocked when Enola didn't come back. I believe we had one quick call shortly after she left, and that's when I found out that she hadn't gone voluntarily. Maybe in hindsight I should have said something at the board. I did not because I figured it was a private thing, in a sense, between her and the CEO.

**Ms. Dipika Damerla:** Were there other incidents like this, where Chris Mazza took decisions on his own, and then the board either didn't question him or—what I'm trying to get at is, was the board enabling this behaviour? Because when you didn't question him and say, "Listen, I had no input in Enola not coming back. I am an equal board member. If anything, I am your boss in many ways. I never had a chance to weigh in on whether Enola should continue or not," did you not at that point enable Chris Mazza's behaviour?

**Ms. Shanon Grauer:** In hindsight, I suspect you're right.

**Ms. Dipika Damerla:** Would you say—and I'm not speaking particularly to you, but in general, do you think the board didn't carry out its governance duties as it should have and enabled Chris Mazza to do this sort of thing?

**Ms. Shanon Grauer:** I can't make the quantum leap on that one issue. I think it's a good point you're raising. As far as his governance in general, I thought the board tried very hard to deal with governance of the entity. What I wonder about, too, in terms of just general governance—and this is something I'm starting to raise with my classes as well, because it bothers me, and I'm not sure it's exclusive to Ornge—is the idea that every three months, a group of people gets together with a board binder that they've read and ask questions of management. It feels to me more like you're catching up, because you're being briefed about what's happened as opposed to being in the front of the curve and setting the agenda.

**Ms. Dipika Damerla:** Fair enough.

What do you think was the relationship between Mr. Beltzner and Dr. Mazza?

**Ms. Shanon Grauer:** It was very close. I think that Mr. Beltzner, at the time that Dr. Mazza's son passed away, felt the need to step in and really support Dr. Mazza. I think it got closer as a result of that.

**Ms. Dipika Damerla:** And because of that closeness, do you think there was an independence? Was he able to carry on his role as the chair and have Dr. Mazza accountable to the board?

**Ms. Shanon Grauer:** I think he could. I don't know enough about what's happened from the fall of 2007

onward, because my last communication with him was in October 2007. But while I was involved, he seemed to be able to wear those two hats.

**Ms. Dipika Damerla:** My last question before I turn it over to my colleagues is, at the end of the day—and I know you really appreciate this because your comments have suggested that—you were there to protect the taxpayer. This was the hard-earned money of people who are flipping burgers somewhere that was being used. In hindsight, knowing everything you did during your tenure, do you think the board did a good job of protecting the taxpayer?

**Ms. Shanon Grauer:** It feels a little awkward to say—self-serving—that we did a good job, but as I mentioned at the outset, the tremendous energy and optimism and what seemed like a very fine plan—

**Ms. Dipika Damerla:** Sorry; that wasn't my question. In hindsight, did you feel the board did its—you were there to protect me and every other taxpayer in Ontario and their funds—

**Ms. Shanon Grauer:** I tried my best during the period I was on the board. I don't think there was anything that I ever saw that suggested there were so-called shenanigans or whatever going on during the interval of February 2005 to October 2007. The point where there were descriptions being raised of a possible for-profit operation—it was in its infancy and it was something that the board thought worth doing: to look at ways to take some of the pressure off being solely reliant on the government for funding. That didn't seem to be an incongruous thing to do.

**Ms. Dipika Damerla:** I guess I should just say: Knowing everything that we do now, not just that brief period that you were on the board, but you've been following this—

**Ms. Shanon Grauer:** Yes.

**Ms. Dipika Damerla:** —and you knew the players, so I just want your honest feedback.

**Ms. Shanon Grauer:** I'd love to be able to give you a general statement—yes or no—that they did a good job. I think it's premature for me to comment on that, because there's an ongoing investigation and there's work being done still by this committee. If it turns out that some of the allegations are, in fact, true, it will be a tragedy—very much so—and the answer to your question will be no, they didn't do a good job. On the other hand, if there are other explanations, then maybe they did an adequate job. Obviously, there have been significant issues raised which give everyone pause to be concerned about what happened.

**Ms. Dipika Damerla:** Thank you.

**Ms. Helena Jaczek:** Thank you, Ms. Grauer, for being here. I just want to follow up a little bit. You talked about the issue of the compensation of Dr. Mazza, and there was a 45-minute session with the consultants. At the end of that you were presumably fairly convinced that the \$300,000 range was a reasonable remuneration. Do you remember if that included his medical director stipend? Were you aware of this issue that there was this part of his salary as well?



**Ms. Shanon Grauer:** Can I just make clear a slight differentiation in what I said earlier? That meeting didn't involve consultants. It was Luis Navas, who was a board member, because of his compensation expertise. We weren't, at that meeting, actually addressing the quantum of compensation. We were addressing the matrix for how we would address compensation at a subsequent meeting. The setting of the salary was to be based on the matrix we were looking at, and it was really just factors. In fact, I have a copy, if you're interested to see the matrix. So those two were separated.

When we did get to compensation, no, to my recollection, I did not ever know about the additional stipend for the medical director.

**Ms. Helena Jaczek:** But the actual amount that you were presented with, you felt at that point was reasonable?

**Ms. Shanon Grauer:** Correct.

**Ms. Helena Jaczek:** Were you also involved in any discussion of expenses for Dr. Mazza during the time you were on the board, or did you sign off on any expenses that you recall?

**Ms. Shanon Grauer:** I certainly did not. I don't recall discussions about expenses, with one possible exception. I remember discussion at some point about directors possibly going to directors' school, the Institute of Corporate Directors, and that potentially air ambulance or Ornge would pay for that.

**Ms. Helena Jaczek:** I see, and then you did not take advantage of that personally, but that was the only conversation?

**Ms. Shanon Grauer:** No. Correct.

**Ms. Helena Jaczek:** In relation to this issue of the sense that the Ministry of Health, the government of Ontario, needed other revenues to support Ornge, how was this presented to you as a board? Did this come from Dr. Mazza? Was there any communication from the Ministry of Health urging Ontario Air Ambulance to look for other sources of revenue?

**Ms. Shanon Grauer:** I believe it came from Dr. Mazza; that's my recollection. I don't recall anything coming from the ministry.

**Ms. Helena Jaczek:** Did he provide some budgetary figures to show that there was some shortfall in terms of service delivery and funding available from the ministry?

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**Ms. Shanon Grauer:** I think in a general sense, my recollection was that he thought there would be a need to do more services and the organization couldn't necessarily count on additional funding from the government and, therefore, as sort of prudent planning we would need to potentially look at other sources.

**Ms. Helena Jaczek:** But it wasn't specifically related to some additional service or some other component of the service? You don't remember any specificity in terms of why this revenue was required?

**Ms. Shanon Grauer:** No, I think it was really the general envelope concept. There were many things the organization was doing, the EMAT services and the

emergency medical hospital that could be deployed, and I think has been, to help out in the field for emergencies.

**Ms. Helena Jaczek:** So, at that point, you never got any hint that there was any sense of personal enrichment or some sort of increasing remuneration for board members? That never occurred to you?

**Ms. Shanon Grauer:** I can honestly say, I did not see any of that.

**Ms. Helena Jaczek:** Did Dr. Mazza ever give any opinion or did you get any sense of his relationship with the Ministry of Health and Long-Term Care with the emergency health services branch? Was there ever any sense of how he was dealing with the ministry?

**Ms. Shanon Grauer:** My recollection is that he was very vested in having a good relationship with the ministry, and he took that relationship on himself to make sure that he knew as much as he could what the ministry wanted and that he would report back to the board occasionally that all was well, that sort of thing.

**Ms. Helena Jaczek:** During your time on the board, did he ever present the idea of owning aircraft, of purchasing aircraft of any sort?

**Ms. Shanon Grauer:** I think again at that retreat in April 2007, there may have been mention made of that but nothing substantive. Just sort of bearing in mind this was a very preliminary indication to the board of what he was thinking and what might be done, and I think there may have been some discussion there.

**Ms. Helena Jaczek:** Was there any questioning of him as to the rationale?

**Ms. Shanon Grauer:** Again, I can't really remember the details because I haven't gone back to my notes from that board meeting, but I think there was—my recollection as best I can is that there were certainly some questions from some of the finance team, the members of the board who had a finance background, about how that was going to happen. For some reason, Hamish Smith comes to mind as somebody who weighed in on that.

**Ms. Helena Jaczek:** Do we have time on this round or should—

**The Chair (Mr. Norm Miller):** You have a couple of minutes left.

**Ms. Helena Jaczek:** Okay. Well, actually Hamish Smith, that name was new to me and I'm wondering, he was on the board the whole time—

**Ms. Shanon Grauer:** No, no. He was only on for a part of the time, and then he too resigned, and the notice that the chair sent around was—and I have a copy if you would like it—basically that he resigned because he was going to be in some sort of a business venture that might put him in a conflict of interest with Ornge. Now I don't know the details of that at all, but obviously as a director I think he did the right thing. If he spotted a conflict of interest, he felt that he had to choose one or the other, and he chose to leave.

**Ms. Helena Jaczek:** And Mr. Crawford, again Lorne Crawford, that was not a name I was familiar with. Was that individual on the board while we were—

**Ms. Shanon Grauer:** Yes, he was on the board the whole time I was, I believe, and he was a lovely man. He



came from the northern part of Ontario and he was picked—I don't know—I presume by Dr. Mazza, but he was picked because of his experience in the forest industry as a businessman and his knowledge of things in northern Ontario. Again, the board seemed to have been put together with thought to have representation from different interests, and he was a delightful man.

**Ms. Helena Jaczek:** And when you left the board, he was still there?

**Ms. Shanon Grauer:** Yes.

**Ms. Helena Jaczek:** Okay. Thank you. That's it for now.

**The Chair (Mr. Norm Miller):** Very well. We'll move to the opposition. You'll each have five minutes for a second round. Mr. Klees.

**Mr. Frank Klees:** I'd just like to go back to your comment about the dismissal of Ms. Stoye. If I understand correctly, she was essentially dismissed after her meeting with Dr. Mazza. Is that correct?

**Ms. Shanon Grauer:** I assume so because I remember walking out of the board meeting and Dr. Mazza asking her to stay. It sounded like a rather difficult discussion as I was leaving, and she didn't come back.

**Mr. Frank Klees:** I find it odd that a board member could be fired by the chief executive officer. Have you ever experienced that on any other board?

**Ms. Shanon Grauer:** No.

**Mr. Frank Klees:** Is that something that, with your knowledge, can in fact legally take place?

**Ms. Shanon Grauer:** No, it cannot. You're right.

**Mr. Frank Klees:** With your experience, why would you not have challenged that, as a director with fiduciary responsibilities?

**Ms. Shanon Grauer:** That's a good question. I think it was partly because it had happened, and Enola was moving to a LHIN board. I'm not sure it could have been rectified. I could have certainly made more of the issue, but by doing so, I'm sure I would have shortened my tenure as well on the board, and I'm not sure what's in the best interests of the corporation—which is obviously my role as a director, to act in the best interests of the organization. Is it better I should raise issues with respect to that and know it's probably not remedial, or is it better that I stay on and try to do my job?

**Mr. Frank Klees:** Well, that is a fundamental question, isn't it? I would have thought that as a director, an independent director, the responsibility you have is to ensure that governance is done right. This was a very early indication of something very dysfunctional in this organization. The executive director was hiring and firing directors, who ultimately have a responsibility to oversee his work.

**Ms. Shanon Grauer:** Correct.

**Mr. Frank Klees:** This is a fundamental problem. Do you ever recall a decision coming to the board that was recommended by the executive director that the board turned down?

**Ms. Shanon Grauer:** Sorry, do I ever recall—

**Mr. Frank Klees:** A recommendation.

**Ms. Shanon Grauer:** By the CEO?

**Mr. Frank Klees:** By the CEO that was turned down.

**Ms. Shanon Grauer:** I can't think of one off the top of my head. It would have been rare if it happened.

**Mr. Frank Klees:** The conclusion that I come to, after many witnesses and hearing from former directors, is that this board was essentially a rubber stamp for Chris Mazza and Rainer Beltzner. That is not the role of a board. Would you agree?

**Ms. Shanon Grauer:** If you're correct, yes, I would agree.

**Mr. Frank Klees:** What we're trying to do through this committee process is to identify what went wrong so that hopefully we can come forward with recommendations to ensure that things don't happen again the same way. The lack of oversight is why we find ourselves here today. The board of directors had that responsibility. The Ministry of Health had the responsibility, ultimately. It's very clear from the Auditor General's report that the Ministry of Health failed in its oversight responsibilities. It was a very quick response on the part of the minister to, in her words, fire the board and fire Chris Mazza. Of course, they are the sacrificial lambs now to absolve the minister. As a committee, we won't allow that to happen, but there is a fundamental failure on the part of the board of directors to do their job as we see it or certainly as I, as a member of this committee, see it in terms of that lack of oversight.

**The Chair (Mr. Norm Miller):** Your time is up, Mr. Klees.

**Mr. Frank Klees:** Almost up?

**The Chair (Mr. Norm Miller):** It's up, Mr. Klees. We'll move on to the NDP. Ms. Gélinas?

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**M<sup>me</sup> France Gélinas:** Kind of in the same train of thought: So there was no communication between you and the ministry and the ministry never came to the board in its oversight capacity. Then we have a board that has no membership, that doesn't get elected by membership, it gets selected by a CEO and hired and fired at the will of the CEO when it suited his purpose. We know that the same structure is still happening in transfer payment agencies of the Ministry of Health right now. There are boards that do not have membership, there are boards where people are chosen and appointed without any democratic process. Are you worried that there could be other Ornges out there?

**Ms. Shanon Grauer:** Well, in what you've just described, it's a possibility, for sure, because I think the lesson I've learned is, you need a very strong board to deal with a very strong, dominant CEO, and if there isn't some separation of the ability to serve as a director from your CEO, it sets up a potential or a dynamic for what's potentially happened here. So maybe there is a need to look at corporations that receive large funding from the government, to have the directors selected in an independent fashion.

**M<sup>me</sup> France Gélinas:** Do you see a role for the government or the ministry in this process?



**Ms. Shanon Grauer:** Certainly, if they chose to have it. It wouldn't be unusual to, say, have directors appointed by management board of secretariat or whatever, management cabinet board. That's a possibility.

**M<sup>me</sup> France Gélinas:** What other governance structure do you see that would protect Ontarians, the public taxpayers, from this happening again? I'm going to the teacher's side of governance right now.

**Ms. Shanon Grauer:** One of the things I wonder about is that it seemed to me, in hindsight, again, that Ontario Air Ambulance was set up as a not-for-profit simply under a performance agreement to the government. It didn't have the status of some of the other organizations so closely allied to the government, like a delegated authority. Maybe something as important as our air ambulance services should be more formally constituted, like an authority like the TSSA or the ESA or something like that. Maybe that's part of the puzzle.

**M<sup>me</sup> France Gélinas:** Following your train of thought and what my colleague was saying, we need strong oversight from the government to the board, strong oversight from a strong board to its CEO and other officers.

How were the chair, vice-chair etc. selected at Ornge?

**Ms. Shanon Grauer:** There certainly was a vote by the board of directors, a resolution, to approve all officer positions, including chair and vice-chair.

As far as the slate put forward, we would receive a board binder probably a week ahead of the meeting and there would be a list of candidates that we would be looking at and have the ability to say yes or no.

**M<sup>me</sup> France Gélinas:** Was there ever an election, as in, two people running for chair?

**Ms. Shanon Grauer:** No.

**M<sup>me</sup> France Gélinas:** It was always a slate.

**Mr. Jagmeet Singh:** Besides the independent selection of governor or directors, what other mechanisms do you think would ensure that a board maintains its role providing good oversight over—or a check and balance to a dominant CEO? Again, tapping into your teacher hat—

**Ms. Shanon Grauer:** I'm still a work in progress, trying to determine what would be the best model on this. As I mentioned earlier, somehow I would like to see more of a proactive role rather than a reactive role, because my experience quite often seemed to be briefing as to what had happened. We had our checklists of due diligence. We'd hear from the medical advisory people as to whether there were any incidents and how they had been handled. And that's part of good governance, right?—understanding what has happened and taking appropriate actions to minimize them happening again. But at the same time, the three-and-a-half-, four-hour meetings went by very quickly, and there wasn't a lot of time to just independently brainstorm. So either there has to be more board meetings at which time is set aside to brainstorm rather than to be reported to, or more board retreats or something to allow that activity to take place.

The other thing, too, that I feel needs to be looked at on the issue of management and governance is that some

people think there's a bright line, you know, "All of this falls on the management side of the line, and all of that falls on the governance side of the line." I personally no longer think there's a bright line. I think there's a line that moves depending upon what the issues are, and so basically having directors be more aware of what management is doing, even though management will argue they're in charge of day-to-day operations and that directors have oversight. But that oversight carries a supervisory role, and I think as a good supervisory organ, the board needs to be more in tune with where management is going.

**The Chair (Mr. Norm Miller):** We'll move to the government. Ms. Jaczek.

**Ms. Helena Jaczek:** Thank you. Our government has introduced Bill 11 as a potential solution for the oversight of Ornge as it currently exists. I'm not sure if you're familiar with that bill, but it's essentially modelled on the Public Hospitals Act, so that there will be a similar type of ability to appoint members, as you've alluded to, to the board through the public appointments process. There is opportunity for the minister to order a supervisor into the organization; inspections; and we have some additional issues around whistle-blower protection as well and a complaint mechanism. Are you familiar with the Public Hospitals Act?

**Ms. Shanon Grauer:** I am.

**Ms. Helena Jaczek:** How do you feel about making the analogy here? This is obviously an essential service where the health and safety of patients is at risk. Could you comment a little bit on that?

**Ms. Shanon Grauer:** My understanding is air ambulance Ornge was considered a base hospital, so I like the analogy, because when we were talking in the early days about what the vision was, the vision was really a flying hospital. It wasn't just simply moving a patient from A to B but treating the patient while onboard the craft, so I think that analogy sounds quite appropriate.

**Ms. Helena Jaczek:** Thank you, and I believe my colleague has one.

**Ms. Dipika Damerla:** I'm going to preface my question by saying that based on everything we know, probably getting fired from the board is a badge of honour at Ornge, so take that as you will. That said, it's really important for me to really understand. Given the pattern, given what happened with Enola, given that you, yourself, diagnosed the issue that this is a very strong CEO, needs a strong board, given the issues that all of us have raised around the fact that the person who is—it's a bit like me hiring my own boss. I mean, what credibility does that boss have if whether the boss continues depends on me?

Given all of this, why did you not at any point, especially after you were asked to not continue, call up the Ministry of Health and Long-Term Care and say, "Listen, we are here to look after your taxpayer dollars, but I'm a little concerned, I'm a little uneasy about the balance of power between the CEO and the board, given what's also happened, and I just want to flag this"?



**Ms. Shanon Grauer:** I never thought of calling the ministry. I think that there were no indications other than what I might express as a difficult personality. There were no indications of misuse of funds. There were personality issues, and that was apparent between Dr. Mazza and Enola. But if I had phoned up the ministry and said, you know, "I just was asked not to stay on the board and there's a difficult CEO in charge, but with a very impressive pedigree of having pulled all this together, being an emergency medical physician, being an MBA and taking on a very big job, I'm not sure my credibility would have been very high, because it would have sounded a bit like sour grapes."

**Ms. Dipika Damerla:** I'll give you that, but it does go to the crux that Chris Mazza was hiring and firing and that has nothing to do with you individually. That's the crux of the problem, why the board had no governance: because they were serving at his pleasure. That's what I'm wondering, why that was never flagged to the ministry.

**Ms. Shanon Grauer:** Well, I can just tell you that when I was asked not to be on the board anymore, I didn't know, really—other than Dr. Mazza didn't want me there—whether there were other issues that some of the directors may have had with me. Maybe they were frustrated with me asking questions; I don't know. Maybe there were reasons beyond personality clashes, but I don't feel that I had a critical mass to go to the ministry and say "heads up." I think it's easy to think that in hindsight, with all that's happened—

**Ms. Dipika Damerla:** Fair enough, yes. Okay. Thank you very much.

**Ms. Helena Jaczek:** No further questions.

**The Chair (Mr. Norm Miller):** Very well. Thank you very much for coming in this morning. It's appreciated.

**Ms. Shanon Grauer:** Thank you.

**The Chair (Mr. Norm Miller):** The committee is recessed until 12:30.

*The committee recessed from 1021 to 1230.*

#### MINISTRY OF HEALTH AND LONG-TERM CARE

**The Chair (Mr. Norm Miller):** I'd like to call the committee to order and, first of all, welcome back Mr. Jackson. You've already sworn an oath from your previous time, so you remain under oath. But we have an oath for our other witnesses who are before us today: Meena Deol, Heidi Eicher, Steven Haddad and Enan Hoque. Welcome, and our Clerk will have each of you do an oath or affirmation.

**The Clerk of the Committee (Mr. William Short):** I'll start left to right.

Mr. Hoque, did you want to swear an oath or be affirmed?

**Mr. Enan Hoque:** Be affirmed, please.

**The Clerk of the Committee (Mr. William Short):** If you'd just raise your right hand, please. Mr. Hoque, do you solemnly affirm that the evidence you shall give to

this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth?

**Mr. Enan Hoque:** I affirm.

**The Clerk of the Committee (Mr. William Short):** Thank you.

Mr. Haddad?

**Mr. Steven Haddad:** Affirmation, please.

**The Clerk of the Committee (Mr. William Short):** If you'd just raise your right hand, please. Thank you. Do you solemnly affirm that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth?

**Mr. Steven Haddad:** I do.

**The Clerk of the Committee (Mr. William Short):** Thank you.

And Ms. Deol, affirmation or oath?

**Ms. Meena Deol:** Affirmation.

**The Clerk of the Committee (Mr. William Short):** If you could just raise your right hand, please. Thank you. Ms. Deol, do you solemnly affirm that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth?

**Ms. Meena Deol:** I do.

**The Clerk of the Committee (Mr. William Short):** Thank you.

And Ms. Eicher, oath or affirmation?

**Ms. Heidi Eicher:** Affirmation.

**The Clerk of the Committee (Mr. William Short):** If you'd just raise your right hand, please. Thank you. Ms. Eicher, do you solemnly affirm that the evidence you shall give to this committee touching the subject of the present inquiry shall be the truth, the whole truth and nothing but the truth?

**Ms. Heidi Eicher:** I affirm.

**The Clerk of the Committee (Mr. William Short):** Thank you.

**The Chair (Mr. Norm Miller):** Thank you very much. I understand you have an opening statement, so please go ahead.

**Mr. Richard Jackson:** Thank you. I welcome the opportunity to appear again before the Standing Committee on Public Accounts and provide members with further information on the actions the ministry has taken to improve the oversight of air ambulance and related services in Ontario.

In my opening remarks this afternoon, I would like to introduce my colleagues in the air ambulance program oversight branch, outline key elements of the provincial government's transfer payment accountability directives and describe how the branch has aligned its priorities with these directives to enhance the ministry's oversight of the air ambulance program. I would also like to delineate the oversight and regulatory accountabilities for air ambulance services in Ontario.

I'm joined this afternoon by my colleagues Meena Deol, Heidi Eicher and Steven Haddad, who are senior



program analysts with the branch, and program analyst Enan Hoque. Each member in the branch has taken on the challenge to transform the oversight of the air ambulance program. I'm proud to work with a group of individuals who have committed their skills, knowledge and expertise to develop an enhanced framework for the air ambulance program. This is important and challenging work.

As you know, I attended the committee on May 8 and at that time responded to questions relating to the reports received from Ornge. Since then, I have confirmed that it is the daily reports, not the monthly reports, that are reviewed by my staff members and I've provided that clarification to the Clerk in my letter to Mr. Short dated May 27. I will provide further details on the work we do with these reports momentarily.

I would now like to outline how the branch has developed its oversight role based on the requirements of the amended performance agreement and the accountability framework articulated in provincial transfer payment accountability directives.

As defined in the transfer payment accountability directive, oversight includes the ability to administer a program, assess risk and communicate with transfer payment recipients on a regular basis, monitor the results for the services arising from the transfer payments, and taking corrective action, where necessary. Staff in the air ambulance program oversight branch have a complementary mix of skills and experience in these components of oversight. As per these directives, in order to ensure effective accountability, expectations must be clearly defined. The amended performance agreement outlines the responsibilities and performance expectations of the service provider.

Performance must be reported and monitored. Once expectations are clearly defined, effective accountability requires that there be reporting on and monitoring of performance in relation to these expectations. There should be processes in place to report performance, review performance against expectations and take corrective action as required. The performance agreement outlines a wide range of information that Ornge is required to provide to the ministry and report to the public.

Key to the management of transfer payment programs is the overlay of a risk-based approach. Risk management practices provide the opportunity to establish the optimum level of oversight and control, enabling ministries to provide the proper level of assessment that service delivery objectives are being met. Consistent with this risk-based approach, the branch's initial oversight priorities have been focused on measuring and monitoring patient safety and patient care provided by Ornge.

I would like to advise committee members on how we use the reports we receive from Ornge. We have prioritized our analysis on Ornge's resource availability reporting, paramedics, the level of care provided by paramedics, pilot and aircraft availability, and the number of medical transports received and how they are

responded to. Daily, we receive resource availability reports that outline the number of requests for medical transports, the number of requests serviced by Ornge, the number of requests that were not serviced by Ornge by reason; for example, the transport was cancelled by the sending facility, the transport request was responded to by local EMS, instances where the call could not be responded to due to weather or due to the unavailability of Ornge staff, be that paramedics or pilots or aircraft. These reports are aggregated into monthly reports.

We also receive daily resource availability reports for each of Ornge's bases that outline the number of paramedics by shift, the level of care provided—critical care, advanced care or primary care—the number of pilots by shift, the availability of aircraft by shift, and, in instances where these resources were not available, the reason why and the specific duration of the unavailability and, with respect to staffing unavailability, the steps Ornge took to backfill those positions on that day. These reports are rolled up into 10-day reports and monthly reports by Ornge, and we further aggregate this base-specific information into quarterly reports to develop longer-term data for trending analysis.

Our immediate focus is the daily reports. We don't wait for a monthly report to take action. In instances where we see patterns, for example, a specific base is not meeting required resource availability levels, one staff member is charged with contacting Ornge to obtain more information, including the steps Ornge is taking to address it.

We now have, for the first time, more than two fiscal quarters of detailed baseline information on a wide range of performance metrics outlined in the performance agreement and Ornge's quality improvement plan. We are augmenting this analysis with ongoing interjurisdictional research on air ambulance programs in Canada and in other jurisdictions.

In providing transfer payments, ministries must ensure that the recipients receiving transfer payments have governance structures and accountability processes to properly administer and manage funds and to provide the services for which the transfer payments are made. The health audit services team is presently reviewing Ornge's board governance practices to ensure appropriate processes are in place.

Ministries must also have the oversight capacity to ensure that recipients receiving transfer payments are providing the services for which the funds have been received. Through the development of Ornge's 2013-14 zero-based budget, a requirement of the performance agreement, we now have, for the first time, a detailed understanding of how government funding is used by Ornge for each of the services it provides, and we will be tracking this on an ongoing quarterly basis.

I would now like to outline for committee members the integrated oversight and regulatory regime that oversees the air ambulance program. The air ambulance program is an integrated system comprised of different components delivered by individuals with specific skills and expertise. These components include:



- the call-taking dispatch system in which priorities for medical transport are determined and appropriate resources deployed;

- patient care provided by certified paramedics performing delegated medical procedures under the direction of transport medicine physicians;

- transport provided by aircraft maintained by aviation mechanical engineers flown by certified pilots;

- ongoing training of all staff involved in the delivery of the air ambulance program;

- quality assurance programs to ensure patient care standards are achieved; and finally

- regulatory certification and compliance.

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The air ambulance program oversight branch is responsible for ensuring Ornge meets the terms and conditions of the amended performance agreement and that the recommendations from the Auditor General directed to both the ministry and Ornge are implemented.

We are supported in this role by staff in the emergency health services branch, the regulator responsible for ensuring that all ambulance services in Ontario, including Ornge, provide ambulance services according to legislation and established standards.

Significant expertise in land and air ambulance services is resident in the emergency health services branch. This branch is responsible for establishing patient care and transportation standards, certifying ambulance service providers against these standards, conducting unannounced inspections of ambulance service providers to ensure they are meeting these standards, and conducting investigations into incidents and complaints received.

Once an investigation is completed, the findings are provided to Ornge by the air ambulance program oversight branch for action. Since January 2013, the air ambulance program oversight branch, along with emergency health services branch staff, have met weekly with Ornge officials to follow up with Ornge to ensure the investigation findings have been appropriately addressed.

The air ambulance program oversight branch also accesses the expertise of several other branches in the Ministry of Health to support our oversight responsibilities, including the legal services branch for advice and interpretation on legal issues; the health audit services team for audit work and advice; the supply chain and facilities branch on issues dealing with facilities; the accounting policy and financial reporting branch for advice on approval of asset sale requests as required under the performance agreement; and from an information and information technology perspective, the branch engages the expertise of staff in the health services information and information technology cluster.

From an aviation regulatory perspective, Transport Canada is the federal regulator. Through a memorandum of agreement between the Ministry of Natural Resources and the emergency health services branch, we have access to aviation expertise that was utilized to audit Ornge's fixed- and rotary-wing aircraft operations last year.

In addition, the branch accesses consulting expertise as required. For example, we have procured the services of a consulting firm who are presently conducting a review of Ornge's critical care land ambulance program, as recommended by the Auditor General.

The service provider also has an important role in providing oversight. Medical oversight is provided by Ornge's medical advisory committee, whose membership includes Ornge's eight medical directors, the chair of Ornge's quality of care board subcommittee, Dr. Barry McLellan, as well as Dr. Andrew McCallum. The medical advisory committee advises the board and supervises on behalf of the board all aspects of medical care under the purview of Ornge. Their mandate is to ensure that medical practice meets or exceeds the standard of care based on available evidence and medical opinion.

I was interested to read the transcripts of the Acting Auditor General's remarks at his May 15 appearance before the Standing Committee on General Government on the role of oversight. Mr. Peall noted, "For oversight to be effective, there needs to be an assessment of the organization's governance practices. If boards are performing their oversight effectively, ministry oversight can be tailored accordingly."

Through my active participation on two of Ornge's board subcommittees, the operations committee and the quality of care committee as a non-voting ministry representative, I have witnessed first-hand the rigorous attention to oversight that the board members on these two committees demonstrate with respect to the quality of care and operations.

Mr. Peall also noted the importance of "periodically obtaining assurance on the reliability of the information," through audits or site visits, "to observe operations and service delivery." We will continue to utilize the health services audit team to ensure that the reports are being prepared as required under the performance agreement.

Unannounced inspections conducted by the emergency health services branch of Ornge's bases across the province further augment our on-site presence.

I would also note that the air ambulance program oversight branch staff and I have regular daily contact with senior Ornge officials to monitor ongoing initiatives. As I noted earlier, we meet weekly to review Ornge's progress in addressing findings from ministry investigations. We have established formal monthly meetings to review progress against performance agreement objectives and receive updates on Ornge initiatives.

Based on my experience in overseeing transfer payment recipients—colleges, universities, children and youth mental health agencies, children's aid societies, developmental services agencies, women's shelters and municipal social assistance delivery agents—as well as licensing child care centres and private career colleges, I can assure you that the level of oversight and regulation currently focused on Ornge is significant, as it should be. Air ambulance services are of critical importance to Ontarians and there have been serious issues at Ornge, as the Auditor General reported and that this committee has explored in considerable detail over the past year.



In closing, in terms of the work that we have done in the air ambulance program oversight branch, I think it is helpful to remember where we have come from with Ornge. Under the previous leadership at Ornge, not only was information on a wide range of Ornge's activities not provided to the ministry or the public, some of the information that was provided, for example, the number of transports, was inflated. We now have considerable data that enable us to measure Ornge's performance. Where issues are identified, we follow up with them immediately to determine the corrective action Ornge is taking to address them.

Where the ministry previously had limited knowledge of Ornge's service delivery, we now have almost real-time, detailed information on how effectively Ornge is delivering these services. Where Ornge previously did not publicly report on services it provided, we have an organization that transparently reports on the service it provides.

Has progress been made in enhancing accountability and public transparency at Ornge? Yes, there has been. Is there still work to be done? Yes, there is. This is a process of continuous improvement. One request for medical transport that is not delivered is one too many.

I am, however, confident that with new leadership at Ornge and enhanced government oversight, we are on the right path as we continue to move forward.

Thank you, and we would be pleased to answer your questions.

**The Chair (Mr. Norm Miller):** Thank you for the opening statement. We'll go to the NDP first. You'll have 20 minutes, Ms. Gélinas.

**M<sup>me</sup> France Gélinas:** Thank you very much for your comments, Mr. Jackson, and thank you for coming back. Thanks to all of you for being here this afternoon.

You opened by basically putting down in words what accountability looks like when you're on the ministry side trying to hold an agency such as Ornge accountable. You talked about doing the administrative duties, assessment of risk, communications, monitoring the results and taking corrective action as needed. You talked to us about some of the tools that you have put in place in order for you to be able to do this.

I guess I'll open it up: Can you give me an example as to, by doing your work of oversight, some of the recommendations—I'd like it as real as possible—that you have done in your communication with Ornge?

**Mr. Richard Jackson:** I would point specifically to staffing levels at Ornge. There has been, I would say, historically at Ornge a shortage of qualified paramedics—an actual shortage of paramedics. One of the things that we monitor with Ornge on a regular basis—and they're required and will be providing us with a staffing plan in June of this year—is that we can, by base, have a full understanding of the number of paramedics they have on staff. Their optimal complement is 232 paramedics—and if I could refer to my notes, I will give you a specific breakdown of that. Of that 232, 154 are full-time and 78 are part-time. As of the end of April of

this year, they had 225 paramedics on staff; 155 full-time and 70 part-time. So one more full-time than optimal and eight less in part-time.

We wanted to understand from them what it is that they are doing to address this issue. We know that they are actively recruiting for paramedics, but what we have learned is the time frame that it actually takes to bring paramedics on line. The hiring process itself takes between six to seven weeks. They have a collective agreement where the first offer of a position goes to an existing paramedic, and they call from other bases.

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They still have a contingent of primary care paramedics which—primary care paramedics cannot be matched with either critical care or advanced care to deliver the critical care services that we need. As we have approached them and worked with them to understand this, it takes over a year for a PCP to become an ACP paramedic, and an ACP takes one year of practice and then one year of training to become a critical care paramedic. So we do understand how long it takes to fill this pipeline.

We used this information in reviewing and accepting a proposal from Ornge earlier this year to add a third team of paramedics to their Thunder Bay base, so that their three aircraft would be serviced with three paramedic teams that had not been in place before.

So by having an understanding of how their processes work and how long that takes, we've been able to review a proposal, accept a proposal, but do understand that it will take time for that organization to get the paramedic care up to not just—they'll be at the right number but to train their staff to the appropriate level.

**Mr. Jagmeet Singh:** Just to reframe that question again, you're essentially identifying a problem and making a recommendation. If you can give me another example of where you've caught a problem from your oversight, where you've identified something that's an issue, what that problem was and then what recommendation you made—in addition to this. But if you could frame it as that: You noticed this issue—due to your oversight, you caught this problem or this issue—and then you made this recommendation.

**Mr. Richard Jackson:** Yes. I want to talk about a situation that has occurred in Moosonee from March through to early May of this year. There were two pilots who left the service of Ornge, and as a result, the rotary-wing aircraft in Moosonee was not available to be flown—they did not have pilots—for 44 occasions between March 15 and early May.

When we started to notice through the daily reports that that base was being down-staffed, we were in contact with Ornge to determine what was going on. That's where we learned that two pilots had left their service, and we learned from them what their plan was to address this. To serve the communities on the James Bay coast, they were using their fixed-wing aircraft from Timmins as opposed to the helicopter from Moosonee and then were transporting those individuals to hospitals in



Timmins or Sudbury. What goes on in Moosonee with the helicopter is, the helicopter's on Moose Factory—sorry, the hospital is in Moose Factory; the airport is in Moosonee, and they do river hops back and forth from that, from Moosonee to Moose Factory.

We were also paying attention to the number of instances in which a medical transport wasn't taking place during that time period, and we identified over that time period, with Ornge and the data that we have, that there were 11 transports that were delayed to the previous shift. We followed up with them to determine whether or not there had been any instances where this had impacted patient care. We confirmed with them that they were working with the hospital in Moose Factory to ensure that patients were receiving the appropriate care at the Moose Factory hospital and that in those 11 instances over that time period where service was not provided, there was no apparent impact to patient safety. And we worked with them to understand when they were bringing those two pilots online. They came online on May 16.

**Mr. Jagmeet Singh:** Okay. There were significant issues that happened at Ornge, and I'll tell you what I think—some of the three main issues. You've talked a lot about patient care and how you can provide oversight for that. The two other issues that were key in terms of the scandal that's before us: One was—I'll just use some colourful language—outrageous salaries, as well as public dollars being used for private ventures. In these two areas, what are you able to do to provide oversight to prevent or to flag these when they happen and then to provide recommendations to address them if they do happen? So those two areas, salaries and public dollars being used for private ventures.

**Mr. Richard Jackson:** With respect to the outrageous salaries that were being paid to many senior officials at Ornge, Ornge publicly reports the information of their executive salaries and compensation on their website. That's a requirement of the performance agreement. We have information, detailed information, on the salaries that are paid to each of their employees. We receive that information line by line and in aggregate format. That was part of the work that we had done in developing with Ornge, for 2013-14, a zero-based budget, so that we know every dollar of taxpayers' money that is going into Ornge, what it is budgeted against and the services that are being provided for those. That budget was put in place. We'll be monitoring that quarterly throughout the year to ensure that taxpayers' monies are being used for delivery of services at Ornge.

In terms of the public dollars being siphoned off into private operations, there is, as you well know, this complex web of companies that were set up under the previous regime. That is being wound up by Ornge in an orderly basis. We receive information on that process from them on a regular basis.

There are still companies that were incorporated as for-profit companies, particularly on the aviation side, where their aviation assets are held, but we know that those are being utilized. Although the corporate structure

of those are on a for-profit basis, Ornge is not working on a for-profit model, nor do they have any activities outside of Ontario.

**Mr. Jagmeet Singh:** Okay.

**Mr. Richard Jackson:** I hope I addressed—

**Mr. Jagmeet Singh:** Yes.

**M<sup>me</sup> France Gélinas:** Just a small clarification: When you said that you now have details on every salary that is paid to everybody who works at Ornge, does that include the medical—I forgot the title—medical director or basically the physician who sits there at Ornge and helps direct care during transfer? Does that include them? Are they captured in that?

**Mr. Richard Jackson:** The position you're talking about is the transport medicine physician. I can't tell you, Ms. Gélinas, definitively, sitting here, if we have that information for those positions. I believe that we do. I don't have that information with me to confirm that categorically for you.

**M<sup>me</sup> France Gélinas:** Okay. But—

**Mr. Richard Jackson:** But we do know how much they spend on transport medical physicians as a total: That would be one of the line items that we're getting in our zero-based budget work.

**M<sup>me</sup> France Gélinas:** So you went to a zero-based budget for them?

**Mr. Richard Jackson:** Yes. We can have for Ornge—we know how much they literally spend on everything they do at each specific base. I could tell you how much they spend on fuel at this base, how much they spend on medical supplies, salaries, benefits, training, legal fees—on and on and on.

**M<sup>me</sup> France Gélinas:** I want to talk about the governance a little bit. In your opening comments, you made mention that you now sit on two committees of the board, and I forgot which ones they were. Could you remind me?

**Mr. Richard Jackson:** The operations committee and the quality of care committee.

**M<sup>me</sup> France Gélinas:** And how did that decision come to be? Were you invited?

**Mr. Richard Jackson:** Under I believe it's article 8 of the performance agreement, when it talks about the quality of care committee that Ornge is to strike, it is specifically indicated that there would be a ministry representative on that committee, and I was appointed from the ministry perspective to be in that role. There is no specific reference in the performance agreement to the operations committee, but I was invited by Ornge to be a participant in that committee and my membership and the ministry representative is reflected in the terms of reference for that particular committee.

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**M<sup>me</sup> France Gélinas:** Does the ministry, through your office, have any contact with the board? As in, how do you know that the board is doing a good job of governance?

**Mr. Richard Jackson:** In terms of the contact we have over the board, as I did note, my contact is on two



board subcommittees, of which the board members on those committees are all the members of Ornge's boards, with the exception of two: the chair does not sit on those committees and Mr. Harnick does not sit on either of those two committees.

In terms of our contact with the board, I don't have direct contact with the board chair, but I interact with those board members on those committees. As part of our due diligence, we have had the health audit services team in Ornge reviewing their board governance practices to provide them with the best advice that we can, that they are actually following appropriate processes. Actually, this coming Monday and Tuesday, I will be attending a two-day strategic planning workshop that Ornge is hosting with members of their board, senior management and other key stakeholders to provide advice to Ornge on their ongoing development of their five-year strategic plan.

That's my interface with the board. I know that senior officials above me in the organization would have contact with Mr. Delaney on a fairly regular basis, the board chair.

**M<sup>me</sup> France Gélinas:** They would have contact with minister who?

**Mr. Richard Jackson:** Sorry, with Mr. Delaney, the board chair.

**M<sup>me</sup> France Gélinas:** With Mr. Delaney. All right. Do you feel confident that with the structure you have now, where you are invited to participate in a strategic planning workshop, you are within the terms of reference of the committees of the board as ministry staff—do you feel confident that if the board were to fail in their duties of oversight, that would allow you to catch this?

**Mr. Richard Jackson:** I think it would certainly give me strong insights into that. I don't participate on the other three or four different subcommittees of the board, but from my own experience, I can see that there is a rigorous governance structure and there are clear terms of reference outlining the requirements and responsibilities of that board committee. The quality of information that comes to the board that is provided by senior management at Ornge appears to be quite sufficient, and the board members themselves are actively engaged in questioning, probing and providing direction, as you would expect a high-performing board to do.

**M<sup>me</sup> France Gélinas:** Do you ever review their minutes?

**Mr. Richard Jackson:** We do not receive copies of the board minutes.

**M<sup>me</sup> France Gélinas:** If you were to request the board minutes, do you figure you would get them?

**Mr. Richard Jackson:** They would be provided to us. We have not requested those. The performance agreement enables us to request just about anything that we would want to request beyond what is articulated in that.

The one area where we do receive extracts of board minutes is with respect to the sale of assets. The proposals that come to the ministry have to be authorized by the board, and we would see those particular minutes.

**M<sup>me</sup> France Gélinas:** You described that the board has a rigorous structure and they have clear requirements. How do you know that?

**Mr. Richard Jackson:** I know it from witnessing it, participating in it, participating in the meetings, receiving the meeting packages. Over the years that I've worked in transfer payment accountability fields, one of the key things I've heard from other board members who I've spoken with is the importance of actually getting good information well before the meeting so that you actually have the time to analyze and think about it, so it's not just plunked down in front of you before you start. So that seems to be a practice. The board members of Ornge that I interact with have quite significant experience on boards of other organizations.

**M<sup>me</sup> France Gélinas:** We had the opportunity to question, basically, every member of the board who got fired in January 2012, late December 2011. They were all extremely knowledgeable, qualified—lots of experienced people who did not provide any quality oversight of Ornge. I can see that you have a high regard for the people on the board. You feel that the structure is solid and the requirements are solid. Do you see anything else that could be done to make sure it doesn't happen again? I'm talking specifically about poor oversight from the board to the executive side of the agency.

**Mr. Richard Jackson:** It is something that I have thought about over time. As I said, the ministry gets a line of sight into two of the subcommittees. I think there would be some value in extending that line of sight across the other board subcommittees. It's not something that we've put forward or proposed—but if you were to ask me where I think we might be able to have a more detailed understanding and actually see it and witness it and be more ingrained in the board governance.

**M<sup>me</sup> France Gélinas:** Usually, minutes of the boards of transfer payment agencies of the Ministry of Health—whether we look at a mental health agency, community health centres, hospitals—their minutes of the board meetings are all public documents. Their board meetings are public meetings. Does this apply to Ornge?

**Mr. Richard Jackson:** At this point, they do not make their board minutes public. In terms of whether those are open, public meetings, I do not know that answer.

**The Chair (Mr. Norm Miller):** You are out of time for your first allotment—

**Mr. Richard Jackson:** But I very much appreciate that advice.

**M<sup>me</sup> France Gélinas:** No problem.

**The Chair (Mr. Norm Miller):** We'll move to the government. Ms. Jaczek.

**Ms. Helena Jaczek:** Thank you, Mr. Jackson, for coming back with your team. Since you have the whole team here, first of all, certainly on the government side, I wanted to assure you that we value our public servants here in Ontario and know that you do good work on our behalf.



Mr. Jackson, perhaps you could outline a little bit what each of your team members is responsible for, and if you'd like to tell us a little bit about their qualifications for the position, that would be very helpful as well.

**Mr. Richard Jackson:** If you're okay with this, I would actually like the staff themselves to provide that information, as opposed to hearing it in my voice.

**Ms. Helena Jaczek:** That would be great.

**Mr. Richard Jackson:** Maybe we could start with Heidi.

**Ms. Heidi Eicher:** My name is Heidi Eicher. I've been with the Ontario public service for 26 years. I have worked in a number of capacities that have involved an oversight function, and I have worked with many transfer payment recipients in an oversight and advisory capacity. I've also worked for Management Board of government as a senior adviser on a number of financial files.

Academically, I have a master's in public administration from Carleton University and an undergraduate degree in political science. I have a change leadership certificate from Humber College, and I have extensive Six Sigma skills and training.

Before I came to the oversight branch here, just to give you an example, I was working with the Ministry of Training, Colleges and Universities in the public—I'm sorry. I was working in the accountability branch in the universities unit, and I had oversight responsibility for transfer payments to medical schools and, in particular, compliance against the medical plan and ensuring that they were delivering against a provincially approved medical plan.

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**Ms. Helena Jaczek:** And your area of responsibility within the oversight branch now?

**Ms. Heidi Eicher:** My area of responsibility has focused primarily on asset sales at this point. I'm working with Ornge on the asset protocol and the sales with respect to the SK-76 aircraft. I've also been involved in reviewing and doing the analysis on staffing that Mr. Jackson was referring to previously, and taking a look at the Moosonee situation and working that through with Ornge. Those have been my key areas.

In addition, I've been responsible for various pieces of correspondence, briefing materials and such.

**Ms. Helena Jaczek:** Thank you. Ms. Deol?

**Ms. Meena Deol:** Hello. My name is Meena Deol. Prior to this position, I was a regional emergency manager with the Ministry of Community and Social Services and the Ministry of Children and Youth Services. There, I was responsible for preparing and implementing contingency planning. As well, I was involved in some larger events, I would say, and providing leadership and direction throughout those, for example, as part of the Haiti repatriation in central west region. I was also regional emergency manager; I participated in that. I've also been the lead in planning for—

**The Chair (Mr. Norm Miller):** Excuse me. Could I ask you to just slow down a bit?

**Ms. Meena Deol:** Oh, I'm sorry.

**Ms. Helena Jaczek:** We want to catch every word.

**The Chair (Mr. Norm Miller):** Some of the committee members are having difficulty following you.

**Ms. Meena Deol:** Sorry. I've also trained at the provincial emergency operations centre. A lot of what I did as an emergency manager was planning, project management and implementing plans.

I was also the freedom-of-information coordinator for the Toronto regional office with the Ministry of Community and Social Services, where I severed and released documents as well as provided advice on the act.

Prior to that, I have transfer payment experience as well. I was a program specialist, where I did monitoring and TP accountability for transfer payment agencies, including service contracts with municipalities and developmental service agencies. That was for the entire transfer payment budget cycle, starting from budget submission to year-end reporting, quarterly reporting and monitoring of any variances in regard to service or financial data. I also trained transfer payment agencies on the service contracts.

In that role, I was also the lead for incident reporting from transfer payment agencies as well. Many agencies have to report daily on any incidents that may occur, and I would follow up on those.

Prior to that, I was a special agreements officer. In that role, I made decisions for reviewing medical and financial information to see if families were eligible for income assistance programs, as well as had a budget. Within that budget, I provided assistance to families caring with either adults or children with severe disabilities and managed that budget, provided funding and made decisions on allocations regarding respite funding.

My role here is, primarily I've been the lead for the follow-up on investigation files. I've also been the lead with the emergency management branch with the Ministry of Health in regard to any incidents that may be occurring and staying on top of some issues; for example, there was the James Bay flooding, and working with Ornge and participating in those teleconferences and meetings. As well as Heidi, we prepare correspondence and briefing materials as well.

**Ms. Dipika Damerla:** I just had a quick clarification. You said you were responsible for the budget cycle for transfer payments. Was it across government?

**Ms. Meena Deol:** No, that was with the Ministry of Community and Social Services. I focused mainly on municipal service contracts and developmental services agency contracts.

**Ms. Dipika Damerla:** Okay, thanks.

**Ms. Helena Jaczek:** Please go ahead.

**Mr. Steven Haddad:** Thank you. My name is Steven Haddad. Prior to joining the air ambulance program oversight branch, I worked with the Assistive Devices Program, modernization unit. The committee may recall that the ADP was called to testify before this committee in October 2010, I believe, and there was a follow-up Auditor General's report in 2011 on the review of that work.



Some of my particular contributions as part of that were developing operational policies and procedures as part of the program review and modernization. Some of the specific files that I worked on included reviewing pricing for communications and visual aids; doing procurement of technical expertise—for example, reviewing proposals for a central equipment pool for high-technology wheelchairs, as well as selecting a vendor to create the new IT system ADAM. Unfortunately, I don't remember what the acronym stands for. In addition to that, I more recently have been involved with the critical care land ambulance program review, which was one of the Auditor General's recommendations in his 2012 report.

In terms of previous experience with adjudication of funding programs and managing relationships with transfer payment recipients, I have direct adjudication experience primarily with the economic development cluster, so the International Strategic Opportunities Program, as well as contract management with grant recipients under programs such as the Next Generation of Jobs Fund, Eastern Ontario Development Fund, Communities in Transition program and the Advanced Manufacturing Investment Strategy.

Over my time with the OPS, I have also been actively involved in what I would term implementing government decisions, so for example, drafting of treasury board and cabinet submissions and implementing recommendations of third-party reviews, such as Auditor General reports.

In terms of what my specific workload is right now, since I've joined the branch I'd say it's been pretty wide-reaching because of the nature of the file. As I previously mentioned, one of my big focuses right now is on the work that we're doing toward reviewing the critical care land ambulance program, both for value for money and service delivery. I also was responsible for drafting the sale of assets protocol which Ornge is required to follow under article 16.4 of the amended performance agreement: to seek ministry approval before selling assets with a residual value of over \$100,000.

Attending meetings, as my colleagues have mentioned: We attend frequent meetings with Ornge senior management to be apprised of the initiatives that they're working on, for example, a readiness initiative, which I believe Mr. Jackson mentioned in his opening remarks, and interfacing with other divisions of the ministry on issues that may address or impact the delivery of air ambulance services, for example, a proposed life-or-limb strategy.

**Ms. Helena Jaczek:** Thank you. Mr. Hoque?

**Mr. Enan Hoque:** Hi. My name is Enan Hoque. I have a bachelor of business administration with a double major in finance and strategic management from the Schulich School of Business, York University. Prior to joining the Ontario public service, I ran and operated my own IT web consulting company where we developed websites, graphics and brochures for small businesses such as restaurants. It's a skill that I taught myself and I really enjoyed it. But I decided to move my career

towards the government side and I joined the Ontario public service in 2010 through the Ontario Internship Program, which takes over—in my year, it was over 5,000 applicants, but I heard they take even more and select a smaller amount.

Since starting there, I've had the opportunity to work in business and financial planning roles for five different ministries, the first one being community and social services, where I assisted the finance manager in reviewing the quarterly reports and other finance-related material for the social services and children and youth agencies of Ontario. Moving from there, I went to the Ministry of Tourism, Culture and Sport, where I worked with the manager there, again, in another finance capacity, where the major tourism and culture—at that time it was just tourism and culture. The agencies there would submit their reports and variance analyses, and we would identify anything that needed to be identified for the manager for further discussion and review.

Moving from there, I left the Ontario internship stream. The goal of the Ontario internship stream is to translate those skills into full-time or contract work in the government. I landed my first position with the Ministry of Community Safety and Correctional Services. In that role, I had specialties in contract management, so multi-million-dollar procurement contracts I'd finish for Ontario's major correctional institutions, such as, for example, their new jails. I had to understand the contracts, had to ensure that the vendor on the other end was meeting their contract obligation, whether it be the reporting requirements, whether it be that the prices were met as appropriate, and if there were changes or amendments required, that due process was followed for full transparency and accountability.

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From that role, I moved to the Ministry of the Attorney General, where I worked on—it's a bit more on the back-end controllership, where it's the administration and finance of salaries, wages and expenses to support the lawyers of Ontario, finally landing to where I am here today in the Ministry of Health and Long-Term Care in the oversight branch.

In this role, I try to utilize the financial, data analysis and project management skills that I have. Particular to the work, as Richard noted in his opening remarks, our focus has been on the availability of resources for Ornge in addition to their staffing. One example of what I've been doing is that I've been gathering the resource availability reports, which can have multiple sheets within a workbook, but putting them together in a way where we can now baseline quarterly data and understand, quarter to quarter, what is increasing, what is declining, what could be the factors behind it, what is Ornge planning to do over their next year and, going forward, any statistical and data analysis type of work.

A meeting I had last Friday was a kickoff of a resource and statistics working group I have with Ornge. This is to complement the work that the health audit team is doing. What we're doing there is beginning to review



the reports to see how it aligns with the performance agreement and improving on it where possible. Again, based on the findings of the health audit team, it will greatly influence the working group and what we'll work on.

**Ms. Helena Jaczek:** Well, it certainly looks like you have a good team, Mr. Jackson, in terms of the range of qualifications and experience that you have just demonstrated.

Obviously, we're here to respond and ensure that improvements are occurring, very much guided by the Auditor General's special report of 2012. The first recommendation was very much related to the cost of ambulance services, and was Ontario comparable to other jurisdictions and so on. Could you just outline to us your progress in that regard? We've heard about a lot of pieces of this, but are you rolling this up into an analysis of the various types of transport? It does relate a little bit to the critical land ambulance piece as well, I suppose—and what progress you're making in terms of looking at those costs and ensuring we're getting value for money?

**Mr. Richard Jackson:** Yes, I'd be pleased to outline the work that we've been doing on this.

We have conducted a survey of other air ambulance providers across the country to have an understanding of the range of services that they provide and how much they're investing in that particular program, as well as how many transports they do, that type of work.

One of the significant observations we have from this is actually the challenge of doing detailed apple-to-apple comparisons—I never use the term “apple-to-orange” comparison—because what we have here in Ontario delivered by Ornge is really the full suite of services: They train their paramedics; they run the dispatch centre; they own their own aircraft; they use special agreement carriers; they have a critical care land ambulance program, which is not common in other jurisdictions; as well as they do organ transplant recovery flights. When we looked at other Canadian jurisdictions, those specific functions tend to be hived off between various parties. You'll have a province where the province does the dispatch; they rely on a series of service contractors to provide the actual service; the training is done—the paramedics themselves find themselves being trained.

What we're trying to do is go beyond a simple algorithm of, “There were 18,000 transports in Ontario, and that cost \$152 million,” because there's much more beyond that.

There's a branch in our ministry that has the responsibility to do literature reviews, and we've posed that question: Can you provide us with literature reviews that have been done on the provision of ambulance services and what those costs are? We've got a good pool of information together at this point. We now need to synthesize that and come up with some specific conclusions. But it's not as simple as it might sound.

**The Chair (Mr. Norm Miller):** Two minutes.

**Ms. Helena Jaczek:** I'll save my two minutes. Thank you.

**The Chair (Mr. Norm Miller):** Very well. We'll move to the opposition. Mr. Klees.

**Mr. Frank Klees:** Mr. Jackson, you indicated in your opening statement that you got back to the Clerk to clarify that it was the daily, not the monthly reports, that your staff reviews. When did you determine that?

**Mr. Richard Jackson:** I determined that shortly after my appearance here on May 8.

**Mr. Frank Klees:** So up until that point, you weren't even aware whether your staff was reviewing either daily or monthly reports?

**Mr. Richard Jackson:** I was aware that they were reviewing daily reports. I did not answer that question correctly when you posed that to me.

**Mr. Frank Klees:** Well, there's quite a difference between reviewing a monthly report or a daily report. Should it concern us that, as the manager of the oversight branch, you didn't know something as fundamental as that?

**Mr. Richard Jackson:** We roll up daily reports into longer time frames. I apologize for not providing the correct answer, Mr. Klees.

**Mr. Frank Klees:** Can you tell us who amongst your staff or from the staff who are here is responsible for which reports?

**Mr. Richard Jackson:** In terms of who is responsible for which reports, generally, we take a team approach to this, but if I were to specifically talk about reports in terms of the daily availability report and the monthly availability reports, the number of calls serviced, the number of calls, those reports are done—

**Mr. Frank Klees:** Let's take a report at a time. We've got some time this afternoon, which is why I wanted you to be here. I'd like to get a handle on exactly who is doing what and how they're doing it. I don't care which order you want to take the reports in, but we have some copies here. I'd like to be able to identify the report and the staff member who's responsible for specifically reviewing that report.

**Mr. Richard Jackson:** I will start with going down the reports in schedule A. Sorry, do committee members have a copy of that page in the performance agreement?

**Mr. Frank Klees:** Yes, I believe we do. If you could tell us which report you want to start with.

**Mr. Richard Jackson:** In terms of the report that starts, “Number of complaints,” 3(b), 4(a), 4(b), 4(c), 4(d), all with respect to investigations reports, investigations, the number of open investigations, those are compiled in one report, referred to as the inspections and complaints report.

Meena Deol, as her role in—

**Mr. Frank Klees:** Sorry; you have to bear with me because this is the first time I'm seeing these reports, so I want to—I believe you gave us copies of these. Specifically, which report is it that that information is rolled up into?

**Mr. Richard Jackson:** It is a document called Investigations and Complaints.



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**Mr. Frank Klees:** Okay, I have it here.

**Mr. Richard Jackson:** There is a line graph, and tables underneath that.

**Mr. Frank Klees:** And who is responsible for receiving that report and analyzing it?

**Mr. Richard Jackson:** In terms of the work that we do with this report and on investigations, Meena Deol is the lead on investigations follow-up.

**Mr. Frank Klees:** Okay. The way I'd like to deal with this is just to systematically go through this. If I could address, then, the next question to Ms. Deol? Okay. Do you have a copy of that report in front of you?

**Ms. Meena Deol:** I do.

**Mr. Frank Klees:** Okay. I'm looking at the March 1, 2012, to March 31, 2013, report, schedule A. If we're looking at this report, could you describe for me, when you received this report—or let me ask you, first of all: Is this the form that you get the report in, as we see it here?

**Ms. Meena Deol:** That's correct.

**Mr. Frank Klees:** And who do you get that report from?

**Ms. Meena Deol:** It's posted on the SharePoint site. We have a shared site that we use with Ornge for posting of documents.

**Mr. Frank Klees:** So Ornge posts this information?

**Ms. Meena Deol:** Correct.

**Mr. Frank Klees:** Okay. And do you get that electronically?

**Ms. Meena Deol:** It's electronic.

**Mr. Frank Klees:** When do you get this?

**Ms. Meena Deol:** It should be posted at the end of the month, and that is on the site.

**Mr. Frank Klees:** So this is a monthly report.

**Ms. Meena Deol:** It's supposed to be a monthly report. This is one of the reports that I've been working on currently, and it's being revised. It's also a report that we've had our audit team look at as well, just to have an understanding of the process that Ornge is using to complete this report.

**Mr. Frank Klees:** Now, you did say it's "supposed" to be monthly—

**Ms. Meena Deol:** It is monthly, actually. I don't track the reports. That's actually one of my colleagues who tracks the reports and ensures that they come in every month.

**Mr. Frank Klees:** So who tracks them?

**Mr. Enan Hoque:** That would be me.

**Mr. Frank Klees:** Okay. And do they come in regularly?

**Mr. Enan Hoque:** I do keep track every month, every schedule, and based on my schedule, the first one came in June 2012, and they have since come in on time every month, as per the SharePoint and the performance agreement.

**Mr. Frank Klees:** Okay, thank you. Back to the report, then: When you receive this and you look at this report, can you tell me what it is that you're looking for

by way of analyzing this information? What is the first thing that you look for here on this report?

**Ms. Meena Deol:** The first thing that should be on this report—as I said, this report is currently under revision—is it should clearly define the number of complaints that have been received. It also should outline the number of investigations, the number that have been completed and the number that are open.

**Mr. Frank Klees:** Okay. If you would walk me through this report. What is your thought process as you go through this?

**Ms. Meena Deol:** Through this process of looking at this report?

**Mr. Frank Klees:** Yes.

**Ms. Meena Deol:** This process—like I said, this report is being revised—

**Mr. Frank Klees:** I know. I don't care if it's being revised. This is what we're looking at now.

**Ms. Meena Deol:** Okay.

**Mr. Frank Klees:** We're looking at this report. What is it that you see on this report?

**Ms. Meena Deol:** Right now, on this report it notes that there are Ornge investigations and that there are a number that have been opened in March 2012—

**Mr. Frank Klees:** And how many have been opened? How many investigations have been opened in March?

**Ms. Meena Deol:** From this report?

**Mr. Frank Klees:** Of this year.

**Ms. Meena Deol:** In this year?

**Mr. Frank Klees:** Yes.

**Ms. Meena Deol:** The fiscal year is 2012-13, and it notes 378 investigations. However, there is a definition here, and that's the number of files Ornge has opened internally.

**Mr. Frank Klees:** No, no. My question is, how many investigations, according to this report, were opened in March of this year?

**Ms. Meena Deol:** Sorry, I'm looking at the wrong report. I'm looking at the January report.

**Mr. Frank Klees:** The report we're looking at states at the top, "March 1, 2012, to March 31, 2013."

**Ms. Meena Deol:** This one says 40.

**Mr. Frank Klees:** Okay. Then what is the next line under the 40?

**Ms. Meena Deol:** The number of investigations the ministry has opened. It notes in March that there were four.

**Mr. Frank Klees:** Okay. Then the next line tells us what?

**Ms. Meena Deol:** The total number of investigations, which is 44.

**Mr. Frank Klees:** Okay. And the next line?

**Ms. Meena Deol:** The number of investigations that have closed: nine.

**Mr. Frank Klees:** Okay. Next?

**Ms. Meena Deol:** The total number of investigations which are open.

**Mr. Frank Klees:** Okay.

**Ms. Meena Deol:** The next—sorry?



**Mr. Frank Klees:** Go ahead.

**Ms. Meena Deol:** The next line outlines the number of external complaints received.

**Mr. Frank Klees:** Okay.

**Ms. Meena Deol:** The next line outlines the number of external complaints closed.

**Mr. Frank Klees:** Okay. So you have that raw information that has now come in to you.

**Ms. Meena Deol:** That's right.

**Mr. Frank Klees:** What do you do with that information and how do you analyze it in terms of the impact on the service level that's being delivered and the implication to patients? What is your next step?

**Ms. Meena Deol:** My next step is to look at the reports to see if there are any data integrity issues with this report. The way I would do that—

**Mr. Frank Klees:** How would you determine that?

**Ms. Meena Deol:** The first thing that I did notice—actually looking at this report—April 8 is when I looked at this report. I called Ornge and I said, “I think there's an issue with this report in regard to the number of ministry investigation files noted on this report.” It's different than what I had. I asked them to look at the number of investigations that they had open.

We spent the next few weeks reviewing each investigation file that was open with the ministry to ensure that each one was, from their end and our end, either opened or closed and documented correctly. I asked Ornge to make those corrections.

Also, to give you a better understanding of this report: Daily we receive incident reports from Ornge that are forwarded not only to AAPOB but also to our investigation services unit, who have access to their reporting system. Each one of these incidents is noted into their database, which our investigations unit has access to.

Further to that, when I saw that there were some issues with this report, we engaged our audit team as well to review the processes in which Ornge is documenting this information, to ensure that we're getting accurate information.

**Mr. Frank Klees:** Based on this report, is there any concern or was anything flagged in terms of implications to patient care?

**Ms. Meena Deol:** In regard to patient care?

**Mr. Frank Klees:** Yes.

**Ms. Meena Deol:** What I'm concerned with this report is the number of investigations that were open, and I also followed up with Ornge in regard to that, as to why there's a total number of files that have been opened and why they're still open.

**Mr. Frank Klees:** And how did they respond to you?

**Ms. Meena Deol:** They actually have a different—they have a system where they prioritize the type of calls, the type of investigations and closing those, and they prioritize calls—that their investigation that may have had an impact to patient care. Also to know that each one of these incidents where—oh, sorry. Each one of these cases where there may be implications to patient care, we are notified daily. We're not waiting for a monthly report

to be notified of that. That report is sent to our investigations unit that has the responsibility to conduct investigations. They'll review their incident reports daily to see if, under their responsibilities, they'll be conducting an investigation into that matter.

**Mr. Frank Klees:** During this month, how many cases were there where there was an implication to patient care?

**Ms. Meena Deol:** As I said, these files have not—that would be determined through the investigations process. That would be led by the investigations unit with the emergency health services branch.

**Mr. Frank Klees:** So you don't have that or wouldn't have that information?

**Ms. Meena Deol:** No. Investigation services is responsible for conducting the investigation. What they would do is, they would review the incident reports, if they were conducting an investigation, to see if there were any contraventions to the act or standards. They would then provide our branch with a copy of their findings once they had completed the investigation. We would then forward any of the findings to Ornge and request corrective action on those findings.

**Mr. Frank Klees:** Do you at any time seek advice from others in the emergency health services branch who have been responsible for ambulance oversight in the past?

**Ms. Meena Deol:** I do.

**Mr. Frank Klees:** And who do you speak to?

**Ms. Meena Deol:** I speak to the manager of policy and implementation.

**Mr. Frank Klees:** And who is that?

**Ms. Meena Deol:** Rob Nishman.

**Mr. Frank Klees:** Anyone else?

**Ms. Meena Deol:** Investigation services, yes.

**Mr. Frank Klees:** And who is that?

**Ms. Meena Deol:** Rick Brady.

**Mr. Frank Klees:** And how often would you speak with them?

**Ms. Meena Deol:** At least weekly. When I started with the branch, the first thing that we did was—the priority was to look at open investigations to ensure that we were acting upon those. So the first thing that we did was to establish weekly meetings with Ornge and myself and with EHSB to review open investigations to ensure that there was follow-up.

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**Mr. Frank Klees:** Okay. Thank you very much.

Mr. Jackson, what is the next report?

**Mr. Richard Jackson:** The next series of reports starts with—and I'm going to talk about two reports that we do not yet have—Reaction Response Times: Scene Calls, 5(a); and 5(b), Inter-Facility Calls.

Ornge's current computer-aided dispatch system does not systematically track that information, so we do not have information, on a systematic basis, on the time frame from when the call is placed to when the call is responded to. That is an issue with the dispatch system that had been created. It was not tracking that time from



the time the call was received; it was tracking the time from when the resource was actually identified to be deployed. So we don't have that spectrum, and this was flagged by the Auditor General in his report

Ornge has procured a new computer-aided dispatch system that will enable that information to be captured and reported. That dispatch system is scheduled for implementation in the fall of 2013. One of the 2013-14 quality improvement plan metrics that Ornge has established is time from call received to time when wheels are up. That will be captured and reported in that system and reported to the ministry, and we'll be able to track that. So we do not have those two reports.

**Mr. Frank Klees:** That's relatively important information in terms of the business that you're in, isn't it?

**Mr. Richard Jackson:** I would agree with you. I think it's one of the cores of what Ornge ambulance services should be doing, the time it takes from T-zero to the time that you've delivered the service.

**Mr. Frank Klees:** The fact that it was identified in the Auditor General's report—would it not have made some sense, if the computer system isn't capable of tracking that, that at least an effort be made to manually track that until we've got the technology in place?

**Mr. Richard Jackson:** Ornge is tracking that manually. They can from their phone systems. They have tags from when those calls are being done. They're measuring the time it takes, and they've disaggregated this by two categories, for an on-scene call, where they want to be able to confirm within 10 minutes of the receipt of the call that they are deploying that resource. In their 2012-13 quality-improvement plan, they wanted to meet that; I believe it was at 100%. Their manual measurement of this in March, I believe, is in the range of 90% of on-scene calls responded to—confirmed that they will be responding—within 10 minutes.

**Mr. Frank Klees:** So Mr. Jackson, here's my concern, and forgive me, but it does cause me some consternation when I hear you say, "I believe this is what's happening" and "I believe these are the numbers." What you're telling me is they're doing it manually, but obviously, they're not reporting it to you. My question to you is, why are we talking in possible numbers when your responsibility is oversight, and the track record has been one of a lack of reporting and a lack of ministry oversight? Help me to understand, and give me some comfort here.

**The Chair (Mr. Norm Miller):** You have a minute and a half of your time.

**Mr. Richard Jackson:** A poor choice of words on my behalf: "Believe" was—I didn't want to quote a specific number without referencing it. But if you allow me I will refer to it, I will give you the actual number. In Q3, it was 90% of the time for an on-scene call that they indicated within 10 minutes that they had a resource available to be deployed. In Q3, for the inter-facility calls—so the target that they set in the quality improvement plan was for an inter-facility call—within 20 minutes of the receipt of that call, they would indicate if a

resource was available within 95% of the time. In Q3 they achieved 96% against that particular target.

**Mr. Frank Klees:** Okay. Thank you.

**The Chair (Mr. Norm Miller):** Very good. Thank you. We'll move to the NDP, Ms. Gélinas.

**M<sup>me</sup> France Gélinas:** Thank you. I'm also interested in looking at oversight, and I don't know if you can answer this, but if you can, please do. How would you say that oversight at your ministry has changed since everything has happened and become known?

**Mr. Richard Jackson:** In terms of how oversight has changed, the first point I would come to is, there was not a dedicated branch or unit responsible for oversight of the air ambulance program. There were people who did that as parts of their job but not fully dedicated to it.

In terms of what else has changed is the considerable amount of information that we now have about Ornge's performance. I don't believe, if I had been sitting here 18 months ago, that I could be relaying information to the committee with respect to this particular base, over this time period, that 98.9% of the time it was staffed with two paramedics. So we have that line of sight into Ornge that we didn't have.

I think one of the fundamental changes is a change, I wouldn't say at the ministry, but it's actually a change at Ornge where this information is provided to us. Whether we ask for it, they provide it to us; it's done in a transparent way. It's not about hiding information. It's about providing information. Are all these results positive in terms of the service that Ornge is delivering against particular parameters? It isn't.

So if I was to summarize it: a dedicated group of people looking at specific requirements of Ornge to provide that information, and the fact that we're actually receiving that information and analyzing that information and getting back to them when we see issues that we think need to be addressed.

**Mr. Jagmeet Singh:** In all the things that we've done, that you've outlined in terms of oversight, why couldn't any of this have been done? What prohibited this from being done before? Why couldn't the ministry have set up an oversight branch the way you've outlined and taken the various steps that you've outlined? What prohibited or precluded the government from doing that before, if anything?

**Mr. Richard Jackson:** I don't think anything would have prohibited the ministry from doing that.

**Mr. Jagmeet Singh:** I would tend to agree. Sure. Thank you.

Moving forward, there are a number of issues that we've outlined and we've addressed here at Ornge. What have you learned from your experience in terms of providing oversight for Ornge that could apply to oversight in perhaps other ministries, that could assist in preventing future Ornges from occurring?

**Mr. Richard Jackson:** In terms of what I think are a couple of important lessons learned from this experience—and I would suggest that you need to tailor the amount of oversight you have to the perceived risk that



that organization or that service may present itself to. But when I look at—and I'll give you an experience, my own experience of regulating private career colleges.

What did we know as a ministry at that point in time about private career colleges? We knew where they were, we knew how many people were—we had some basic financial information about them, but we didn't have that day-to-day intelligence about what was actually going on at the 600 private career colleges in Ontario and then, all of a sudden, someone would go bankrupt and students would be put out on the street. I think one of the lessons learned is actually having this type of information available to you so that you can see things that are happening—not overly embellishing this, but literally in real time. I think that is key.

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I think what is also key is an ongoing dialogue with the service provider and having the candid conversations that need to take place. In my role as a regional director for the Ministry of Community and Social Services, I would have a group of program supervisors that would interact with the respective transfer payment agencies. That might be done periodically; they might have several different agencies that they were responsible for, but they didn't necessarily have that day-to-day understanding of what was going on and that regular contact. You need to balance that against risk.

**Mr. Jagmeet Singh:** Sure. Thank you very much. My colleague has more questions.

**M<sup>me</sup> France Gélinas:** I'd like to pick up on this "ongoing dialogue" that you talk about. What has changed? Because if you read the newspaper every now and again, you will have known that Ornge, in January 2011, wrote an extensive letter outlining exactly the web of for-profit companies that they were to set up. They c.c.'d the world on this letter. They came to Queen's Park, they came to the ministry, they briefed them, and not a peep came out of anybody.

What has changed with your branch that now—if something like this were to be presented to you now, do you figure you would react?

**Mr. Richard Jackson:** I can tell you with 100 degrees of certainty that I would react, and that the people I work with here would react to that. Why there was not a reaction to that in January 2011 is something I do not know. I do not understand why. I have certainly followed the testimony before this committee over the last—well, since it started last March.

I can't explain what happened when I wasn't here and being involved in that, but in terms of things that I think have changed, I'll give you an example here. I want to give you a good example, if you'll give me a moment to recall one.

I'll genericize this. We get a daily report from Ornge that says, "These were the number of transports that we did. These were the number of transports that we didn't do, and these are the reasons why we didn't." If we see an incidence where it says, "We did not transport someone because there was a shortage of an air vehicle,"

we're immediately on the phone: "What did you mean by that? What was the shortage? Why was there a shortage? What happened with that patient? How was that patient transported?"

Ornge is telling us that information. We're reacting to that information. I don't think in the past—I will call that "the old Ornge"—we would have even thought that that was something that they would report to the minister. It was something that the ministry was not tracking or monitoring.

**M<sup>me</sup> France Gélinas:** So I guess my question remains as to what has changed. How come, presented with the same information by the same people in the same format, you would react, but the people before you didn't? What has changed?

**Mr. Richard Jackson:** What has changed is that there is a specific group of people who are dedicated and responsible for paying attention to that and acting on that. That is their sole purpose, as opposed to a situation where—I would characterize it, perhaps, that Ornge was one of a series of ambulance providers. It happens to be the air ambulance provider, but there are upper-tier municipalities who are all involved in this action, and people, for whatever reason, did not react to that. I don't know why they didn't react to that. It certainly concerns me. I would imagine that it concerns many people.

**M<sup>me</sup> France Gélinas:** So when you try to answer those questions, you say that because your sole purpose is to oversee, then you take it as your responsibility to do so. There are many, many transfer payment agencies at the Ministry of Health—thousands of them, literally—that do not have a sole-purpose branch or unit within the ministry that is there to oversee them. I'm fully confident that everything that goes on at Ornge right now is looked at, is analyzed, is questioned and is worked upon. But I'm worried that there are other little Ornges out there.

**Mr. Richard Jackson:** I think I would say that there's an element of risk analysis that, whatever the oversight body the branch is, or whoever it is that is responsible, needs to have confidence in the capacity of the governance of that particular organization. How that is achieved in other areas of the Ministry of Health, Ms. Gélinas, I do not know how that is done. But I can tell you, and I think it's—Ornge has been, obviously, a hugely significant issue for the province, what has transpired at Ornge. As a result of that and the high level of risk, there have been dedicated resources assigned to it.

Are there are other Ornges out there? I do not know that. That has not been the focus of my work.

**M<sup>me</sup> France Gélinas:** None of us know that, but, by your answer, you give us confidence that strong elements of oversight are now there. You guys are a part of this. Your job is to oversee. You know how to do your job. You're dedicated to it, and it brings results. When something goes wrong in Moosonee, in Weeneebayko, you were on the phone and, basically, you got to the bottom of it and made sure that the people of that end of province had the critical transportation they needed, especially at the time where the ice was breaking up



between the island and the mainland. So things have changed for the good of the people of Ontario.

But here again, I come to what are the most important features of oversight, given that we know we don't have units like you guys for every part of the health care system, some of them spending hundreds of millions of dollars, not unlike Ornge. We don't have a dedicated unit like you guys. What are the important features of oversight that need to be there that you guys are bringing?

**Mr. Richard Jackson:** I would talk to, I think, a few elements that are important to oversight. First is defining what it is that we're actually expecting of the service provider, whoever that service provider is. What is it that we are expecting them to do for the investment that we are making? What are the controls that that organization has in place to monitor itself? What is the role that their respective board governance is at that particular organization?

I think you need to have an understanding of the results that they are delivering in terms of outputs and outcomes. I think you need to have an understanding of what their financial situation is and what they're using their funding for. I think there are lessons to learn from the work that we are doing, and it is a work in progress.

We've been at this for a few months. I came on board at the end of July, and there was Steven and myself and another individual. But, as I said, I think there are lessons that can be learned and can be shared with this. Ultimately, I don't think every organization that the government of Ontario funds needs this level of attention.

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**M<sup>me</sup> France Gélinas:** I agree.

**Mr. Richard Jackson:** It's being able to identify which areas of where you might need that attention and dedicating those resources. We have a finite amount of resources, and we need to direct those to where we think there's the highest risk.

**Mr. Jagmeet Singh:** I have a question for you. In terms of oversight, how do you measure good oversight? We have different institutions and different mechanisms in place to provide that oversight. How do you actually assess if you or any other group or any other mechanism for oversight—how do you measure if that's good oversight or not? What are your performance measures to ensure that you're doing a good job of even providing that oversight?

**Mr. Richard Jackson:** I would think the ultimate performance measure would be in terms of the specific objectives that are assigned to that particular organization you're funding. Are they delivering upon those objectives? If you're doing a good oversight role, I think you can understand what's going on. Ultimately, I would say my role, looking over at the oversight at Ornge, is not to run the air ambulance program; it's to ensure that the people who are running the air ambulance program are running that properly. That's their operational responsibility and operational accountability. I think I have a system accountability to ensure that those systems are in place and that those are happening.

**Mr. Jagmeet Singh:** One measure would be at whether or not the body or the organization that's under oversight is achieving its results or its performance measures; that's one way of saying that the oversight must be good. Are there any other independent ways of measuring if the oversight is sufficient and if it's exhaustive that you can give us in terms of a way for us to measure if the mechanisms we have in place are sufficient? How do we measure and say that this is a sufficient form of oversight or that this team—or any team—is doing their job effectively to provide that oversight?

**Mr. Richard Jackson:** Other than saying that that's a very good question, I don't have an answer to that.

**Mr. Jagmeet Singh:** Sure.

**Mr. Richard Jackson:** If I thought about it, maybe I could come up with an answer, but I don't. It's a really valid point.

**Mr. Jagmeet Singh:** Thank you. I'm sure my colleague has a couple more questions.

**M<sup>me</sup> France Gélinas:** Along the same lines, let's say you celebrate your second or third anniversary. You've now got a pretty good grip as to what makes for good oversight. Are there mechanisms within your unit or your department to share those lessons within the ministry? Do you have an opportunity to do this?

**Mr. Richard Jackson:** I think that the opportunities could certainly present themselves to do that and share that information. Our focus has been on actually doing the work, not going out and touting our successes, because there's still much work to be done here.

There are, certainly, forums across government. One that comes to mind is Policy Innovation and Leadership. It's a cross-ministry group where you can find yourself there to come and present and learn and share best practices across the OPS. It's one that comes to mind immediately.

**M<sup>me</sup> France Gélinas:** On a different train of thought: Let's say you go back to your office this afternoon. You have a phone call from somebody who tells you she has just been made aware that somebody at Ornge is receiving twice his salary. He's receiving it under two different names. I'm making that up, by the way. What would you do with that information?

**Mr. Richard Jackson:** My immediate response to that—I know it's a hypothetical example, but it's a serious hypothetical, if that was to occur. I would be immediately in contact with Dr. McCallum, asking him what was going on: "Please explain what is going on. You need to provide me with documentation and information with respect to what is going on and how that has occurred." I would go right to the top and deal with the CEO.

**The Chair (Mr. Norm Miller):** We're out of time for this round, so we'll move to the government. Ms. Jaczek?

**Ms. Helena Jaczek:** I'll start, Chair, and I know my colleague has a couple of questions as well.

I'd like to go back to the reports you sent us, mainly because I spent a few hours going cross-eyed over them. Ms. Deol, perhaps I could go back to the investigations



and complaints report that you've been working closely with Ornge on, and the emergency health services branch as well, as I understand it.

How are you working to ensure that we have more closed files in terms of these investigations and complaints? I was fairly struck by the relatively high number that seems to have accumulated over time. Could you just talk to us a little bit about how, in your role as overseer, you're kind of pushing for the conclusion to these reports?

**Ms. Meena Deol:** Yes. So number one, just to clarify that report, where it indicates for the Ornge investigations—on the report that you're seeing here, currently there are definitional errors. What they've been doing is they've been documenting every incident they have and counting that as an investigation. That's why we've engaged the audit team to review, even what their definitions are and what they're reporting, number one.

With regard to the ministry investigations, every week, effective since I've taken on this portfolio, the first thing was just to look at, why are these files open, and why have they been open so long? Number one was to improve communications and to have a forum to discuss these investigations and make them a priority. So we have weekly meetings which include Ornge senior management. We have the director of professional standards and compliance, the lead for investigations at Ornge, who also started with that portfolio at around the same time I did. We also have an investigations coordinator at that meeting, I attend, and then also, with the emergency health services branch, we have the manager of policy and implementation on those lines.

The first thing we do is we review each one of the findings or the reports and outline any outstanding issues.

**Ms. Helena Jaczek:** Are you optimistic that over time, with this sort of intensity and urgency that you're communicating, we will start to see—do you have a goal in terms of resolution?

**Ms. Meena Deol:** The goal is to have no investigations open and to ensure they're done within the recommended timelines.

Some of that also has to do with trending. What we've been doing is looking at certain investigations. For example, currently there are four investigations open relating to a policy. I can name the policy. What we've done is we've forwarded that to Ornge, that they need to amend that policy. That was found in the findings and the recommendations from the investigators, that you need to review this finding and make sure staff are trained on this finding.

That policy has been revised. We received it back. It was forwarded to our investigations unit to review again and has now been sent back to Ornge. That will address those issues, to see when it comes back, to ensure that that policy takes into consideration, number one, the investigations, and that they can be closed.

We're also establishing further meetings for other issues—not issues, but other investigations for trending. For example, Ornge has reviewed their triaging policy.

So we're meeting with Ornge senior management in June to review a number of files that revolved around that recommendation or considerations regarding that finding.

What we're doing is meeting—it's not just meeting, but ensuring that we're also coming to conclusions and finding other—it could be policy-related incidents as well, and ensuring that we have new policies updated as well.

**Ms. Helena Jaczek:** Okay, thank you.

*Interjection.*

**Ms. Helena Jaczek:** Yes, Mr. Jackson?

**Mr. Richard Jackson:** I would just add something to Meena's answer.

One of the things that I think we're seeing with the instances and investigations that we're doing is, the communications that would happen between the Ornge control centre, the sending hospital and the receiving hospital about explaining what is happening where—where is the resource, when is it going to arrive. Part of the strategy that Ornge has put in place is that they had a generalist model, where everybody in their dispatch centre—they were call-takers, they were flight-trackers—looked after the provincial transportation and authorization centre.

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They've now provided specific training and certification in each of those areas so that the people have a specialty that they attend to and not a generalist approach that had been introduced by the previous leadership at Ornge.

So there are systemic things, I think, that can be done with the service delivery that are actually going to reduce the number of investigations, and then we won't have as many to close.

**Ms. Helena Jaczek:** My follow-up relates to the quality improvement plan. We saw the first one last year; I understand Ornge has submitted a second one. Will you be including these sorts of goals just as articulated, in terms of the resolution of complaints and so on? Will there be that kind of specificity in the next iteration of the quality improvement plan? I would like to be able to look a year from now and see that this kind of improvement has occurred. How does this tie back into the expectations of the coming year?

**Ms. Meena Deol:** I think it's also important to note, in regard to the investigations, that a number of these investigations that are currently open occurred for incidents in 2012 or prior. As Richard was noting, I think that with the implementation of some of the changes with the OCC, the Ornge control centre, we anticipate that moving forward we would see fewer investigations, because there have been changes to the structure or some of the larger issues; for example, the changes to the model of the OCC—the fact that they're doing call-taking and auditing of their communication officers, and other steps they're taking in regard to improvements to the actual communication control centre, which are outlined in the QIP. So moving forward, we would expect to see fewer investigations.



**Ms. Helena Jaczek:** And they are outlined in the QIP.

**Mr. Richard Jackson:** I would say that it's always great to get advice from people around this table. In the specific metrics that have been approved by the board for 2013-14, there's not one that specifically speaks to the resolution of findings in a specific time frame. The fact that it's not in the QIP—I'm certainly taking the advice away today that we will be pursuing that with Ornge. If we're going to measure it, there had better be a target that we're measuring it against, and we don't have that at this point.

**Ms. Helena Jaczek:** I would suggest that would be useful. In other words, it is a toing and froing between Ornge and your branch in terms of developing and monitoring those metrics. Thank you for acknowledging that.

As I looked at the requests versus transports—maybe I'm being overly optimistic; this was the next series of data that we got—it seemed to me that the gap was narrowing somewhat in terms of requests vis-à-vis actual transports. Am I being overly optimistic? Could you talk to us a little bit about this series of data?

**Mr. Richard Jackson:** This very long series of data and—

**Ms. Helena Jaczek:** I found the graphs the most useful, at the end.

**Mr. Richard Jackson:** Okay, we're at the graphs. With the graphs that are contained in this report and the scale that they're at, I find it difficult to identify how small that gap is going.

In terms of the number of requests for transport, I think it's useful to actually look at some year-to-date summaries. I don't think there has been, I wouldn't say, a statistically significant improvement in the number of requests versus the number of transports. Ornge itself tends to actually respond to around 70%. For the other 30%, there are reasons why those are not being responded to, and some of them, to me at least, make sense. It's an on-scene call; the land team has arrived; they've called for Ornge; they realize that they can get to the tertiary hospital quicker than it will take to actually deploy the helicopter or get it there.

**Ms. Helena Jaczek:** What is your advice, then, because obviously now you've got a duplication, potentially, of resource. How are you handling that issue?

**Mr. Richard Jackson:** That is something that I think is an important part of Ornge's operational objectives for 2013-14 and for subsequent years. The terminology they would use is "to have a clearly defined mission profile." To put it as a specific example, if there is a car accident at the interchange between the 427 and the Gardiner Expressway, and there's a land team that's on there, does an Ornge helicopter need to be deployed when they're already on the route to Sunnybrook or St. Mike's?

There needs to be a clear understanding of all the stakeholders that are involved in this. I'm more than optimistic that the thought processes that are going on right now at Ornge between Dr. McCallum and his senior management team and his operational managers and the

linkages that they are building with local EMSs, with hospitals and LHINs across this province, where I would say 18 months ago, two years ago, Ornge was acting in this isolated, "We are Ornge and this is what we do and we don't reach out"—because I think we need to think about this from a system perspective.

**Ms. Helena Jaczek:** We certainly got that impression, at least the government side, when we visited Ornge.

Dr. McCallum was talking about "Everything is on the table," which actually leads me to recommendation 2 of the Auditor General's report of 2012. Maybe Mr. Haddad would like to outline that a little bit for us. Deloitte, I understand, is studying the issue of critical land ambulance vis-à-vis air transport. Could you give us the terms of reference, perhaps, of what Deloitte is looking at? And then tell us a little bit about the pilot that's going on in Ottawa.

**Mr. Steven Haddad:** Certainly. I would refer you to the Auditor General's report and recommendation number 2, because to be honest, it very clearly outlines exactly what it is we're trying to accomplish with this program review, from the very first point, which is, "assessing the current total demand for critical care land ambulance transports in Ontario." Part of the first level review that we had asked Deloitte to do was sort of an operational look at how many transports are actually being conducted compared to how many, perhaps, the program had expected several years ago when it was first created.

Also, taking a look at what opportunities there might be if the service were expanded: For example, it's currently offered in three bases in Ontario, plus Toronto EMS receives funding through Ornge to deliver the service in the GTA, and to see if there might be a demand in other parts of the province for that type of service.

Part of the review that they're also doing is meeting with stakeholders from different sectors, different parts of the health care sector, to look at, potentially, capacity for other service delivery models. I think at this point it would be premature to comment on what the findings or conclusions might be of the report, because the work is still going on, but we have certainly—I think that they have received a broad range of input into their work, both in terms of operational and financial data from Ornge and other stakeholders to be able to allow them to have a very clear picture of how the program is being run and what niche market it's serving. Effectively, I refer back to the Auditor General's observations.

**Ms. Helena Jaczek:** And when do you expect that report to be finished?

**Mr. Steven Haddad:** I believe sometime next month we should be receiving a report from them.

**Ms. Helena Jaczek:** And a little bit about the Ottawa pilot.

**Mr. Steven Haddad:** Certainly. One of the things I believe Mr. Jackson mentioned earlier in his opening remarks is ensuring that the right resource is being used at the right time based on the acuity of the individual patient. The example he gave: If there was a land vehicle



that was perhaps closer to be able to respond to the patient, and that would be appropriate, perhaps the dispatch of an air, which could in fact take longer because of the time to do a weather check and going through the full process—perhaps it did make sense to make use of a land resource, and just staff it appropriately with a critical care level of paramedic.

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In the Ottawa area, a pilot that they had looked at was: Were there opportunities to defer some of these air calls, or transports that were being serviced with an aircraft—to service them with a critical care land ambulance or with one of the additional ambulance resources that they have? My understanding, though unfortunately I don't have specific details for you today, is that so far it has produced positive results in decreasing the reliance on air and ergo has resulted in some cost savings.

**Ms. Helena Jaczek:** Okay. Thank you very much.

**The Chair (Mr. Norm Miller):** Ms. Damerla.

**Ms. Dipika Damerla:** Thank you, Mr. Jackson, for coming again. I really want to compliment all of you on your team. In the short time I've had to evaluate you, all I can say is, you present yourself very well. You're very articulate and, most importantly, you've certainly demonstrated a good command over your briefs, so congratulations on that.

I'd like to just begin by trying to get an overall picture. You and your team have been on this job, this particular piece, for about eight or nine months now, so it's a relatively short period of time. I think of it like a garden. You first weed it and you sow the seeds. It takes a while to actually see the results, but that doesn't mean hard work hasn't gone in. I'm just trying to understand: In the short time you've had, could you just give me one or two illustrations of what you think are your team's main achievements?

**Mr. Richard Jackson:** I would say, when I think of the team's first achievement, it's that we've actually been able to get, for the first time, a clear understanding of the services that Ornge provides, how they provide them and the plans they have for improving those services. It was a green field that we inherited. "Here's a performance agreement. Figure out how to implement it." I would say—just being able to pull this information together and start the work of analyzing it.

I also think something that I'm proud of is the work that we have done in having a much better and detailed understanding of what Ornge actually spends its money on. We now have that from a budget perspective, and we'll be tracking that from an actual perspective, so that we can—we're paying Ornge to do organ transplants. It would be useful if we actually knew—and we do know—what that costs.

The other thing that I would say that I am proud of is the professional working relationship that we have developed with the senior people at Ornge. We are not running that organization; we are not there to be their friends; we're there to be their overseers. But we have, with our stakeholder relations skills that we all bring to

this table, been able to engage their management on a regular basis on important discussions that need to take place. I think what is critical to our success moving forward is knowing that you can pick up the phone, get the information, and it doesn't matter where that's going.

**Ms. Dipika Damerla:** Okay. That's actually very useful, for you to have summarized it that way.

How much time do I have?

**The Chair (Mr. Norm Miller):** You have just a minute left.

**Ms. Dipika Damerla:** Oh, just a minute left.

My next question is just around the performance agreement that you mentioned. I just wanted to know: What tools does this new performance agreement give you that perhaps the old one didn't, as an overseer? Could you just elaborate on that—tools to oversee?

**Mr. Richard Jackson:** In terms of tools, I'll give a few examples: the fact that there is a requirement that there's a ministry representative actually sitting on a board subcommittee on an issue as important as the quality of patient care. One of the other tools is, my understanding is that, under the old performance agreement, there were only a limited number of times when the ministry could actually show up at Ornge and do the work that they needed to do. We can go and be there whenever we need to be and whenever we want to be.

I think that the other critically important tool is the amount of information that Ornge is required not just to provide to us but provide transparently to the public. Accountability is not just to the ministry; there's an accountability to the public, and I think I see that in the performance agreement, as a result of the performance agreement.

**The Chair (Mr. Norm Miller):** Thank you very much. We'll move on to the opposition. Mr. Klees?

**Mr. Frank Klees:** Thank you. I would like to pick up, Ms. Deol, where we left off in terms of this report. What I don't see anywhere in the definitions of these complaints or incidents is a reference to a significant patient adverse event. Do you know what I mean by that?

**Ms. Meena Deol:** Yes.

**Mr. Frank Klees:** Why is there no reference to that category of complaint or event?

**Ms. Meena Deol:** In this chart?

**Mr. Frank Klees:** Yes.

**Ms. Meena Deol:** All incidents, as defined within ambulance document standards, are included, so any incidents that apply to that standard are included in this.

**Mr. Frank Klees:** And so where do we go? Because I'm assuming you'll agree with me that it's the significant patient adverse event that we're really interested in, primarily. How do you, as an oversight body, get alerted to how many of those events are occurring in any given month?

**Ms. Meena Deol:** Every day, we see each event. Each incident is reported to us according to these standards.

**Mr. Frank Klees:** No, no. Hear me: There's a difference between not having gas in the tank, not having enough bandages or having a short—to what is defined as



a significant patient adverse event. Those are the critical issues. How do you, as an oversight body, get alerted to those?

**Ms. Meena Deol:** We have a quality of care committee that our director sits on, and some of these can be addressed through him.

**Mr. Frank Klees:** No, no. My question is, even the quality care committee, how do they know what to look at? Is there no trigger that comes through this reporting mechanism for that kind of event?

**Ms. Meena Deol:** Every event is important.

**Mr. Frank Klees:** I'm sorry?

**Ms. Meena Deol:** Every incident that's noted here would be considered a priority or important.

**Mr. Frank Klees:** No, no. That's not good enough. One of the findings of the Auditor General in his report was that Ornge—this is the old Ornge, under the old system—“internally reported 20 ‘significant patient adverse events’ in 2009-10 to its board of directors, including some that involved patient deaths.” These are significant events. The Auditor General, in his report, flagged this as a real concern, that these particular cases were not being properly reported.

What I'm interested in is, under your system and under your oversight, are those particular significant events identified? How are they? Surely, out of a basket of 40 incidents or complaints, somehow you must have a mechanism to identify three or four of these significant patient adverse events.

**Ms. Meena Deol:** Each one of these events, incidents, are—like I said, we receive these reports daily—

**Mr. Frank Klees:** I'm sorry. I can't accept that.

**Ms. Meena Deol:** I'd like to—

**Mr. Richard Jackson:** Please, could I assist you with the question that you're asking? Because it's a critically important question.

**Mr. Frank Klees:** Please.

**Mr. Richard Jackson:** So, in these reports—and they're referred to as “care reports”—that we receive, they outline in quite significant detail what the actual incident was. Certainly, when we would see a situation where there was a death, or certainly in situations where vital signs were absent, those would be the ones that we would identify, in consultation with the investigative arm of the emergency health services branch, and we would initiate an investigation.

We'd look at each of those reports that we get. They outline in this section—it's admittedly in very small print in the left-hand column—the type of things that need to be reported. Is there an unusual response or service delay? Is there a delay in accessing the patient? Is there an excessive amount of time on scene? When we see those, the ones that are serious, those are what drive ministry investigations, and you can—

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**Mr. Frank Klees:** There's nothing in here that triggers a patient death indication. This is my concern. The reason I'm asking this question, Mr. Jackson, is because I have here a Ministry of Health and Long-Term

Care memo dated May 23, 2012. It's confidential for cabinet purposes. I'm going to read you what it says. The heading on it is, “Issues: Status of Investigations Related to Air Ambulance and Related Services at Ornge.” It reads as follows:

“The amended PA no longer contains a requirement to report significant adverse events. Instead, Ornge is now required to report to the Ministry of Health and Long-Term Care any incident that meets the requirements for reporting under the ministry's ambulance service documentation standards.” It goes on to say that it essentially is left up to Ornge to make the determination in terms of what is significant and what should be reported.

My concern and my question to you is: Are you aware of this memo? Are you aware that the reporting requirements have actually changed? If you are, are you concerned about that? I certainly would be if I was in a position of oversight because if it's being left to Ornge staff to make the determination about what is significant to report, we're right back to first base on this thing. I'd like your response on that. Are you aware of this memo? Are you aware of the concern—this is a Ministry of Health document—and, if so, what is your response to it?

**Mr. Richard Jackson:** The specific memo that you're referring to, Mr. Klees, I don't have in front of me, so it's difficult for me to comment on this. But we are asking Ornge to report on all incidents, not just those that are serious incidents. There are other processes within the medical oversight role that goes on through Ornge's medical advisory committee where they have a process in place where they are doing chart audits of—I believe it is 20% of the actual medical transports, where Ornge's medical directors are reviewing those charts to determine whether or not there was an issue with the level of care that was provided by their paramedics. Those reports and that summary information are provided to the quality of care committee for their review and for the board's action.

**Mr. Frank Klees:** Okay. Could I ask which of the staff can give me a definition of the patient care standards for air ambulance?

**Mr. Richard Jackson:** The patient? It's the—

**Mr. Frank Klees:** The patient care standards as defined in the air ambulance act. Does anybody know it offhand? It should be pretty basic, I would think.

**Mr. Richard Jackson:** Meena, would you like to speak to that?

**Ms. Meena Deol:** You want to go first?

**Mr. Steven Haddad:** I assume you're referring to a document that's produced by the emergency health services branch in collaboration with the medical advisory committee, which is called Ambulance Service Patient Care and Transportation Standards. The last version I have is October 2007.

**Mr. Frank Klees:** Okay. Can you tell me what that standard of patient care is for air ambulance?

**Mr. Steven Haddad:** I can describe it in general terms, yes. I'm just wondering if other members of the committee would benefit from having a copy.



**Mr. Frank Klees:** We don't have time. I have to leave early, actually. I was hoping, as staff being responsible for oversight of air ambulance, that you would know. I'll share it with you. I'll read it—pretty fundamental: "There must be two paramedics trained at the highest level of critical care in order to provide critical patient care on the air ambulance." That's fundamental. With that reminder, have you heard that before?

**Mr. Steven Haddad:** It's highlighted in my document.

**Mr. Frank Klees:** Good. Let me ask you this—and I think it's Mr. Hoque who's responsible for resource availability reports. Can you tell me, based on that standard of care, whether or not Ornge air ambulance is able to meet that standard of care, and if it's not, what percentage of the time is it not able to meet that standard of care?

**Mr. Enan Hoque:** Sure, I'd be happy to answer that for you. When we're talking about meeting the target level of care, we're talking, as you said, having two or more paramedics at the right level of care, as defined by the base. We know that in Q3 they reached that 66.4% of the time, and by the end of Q4 they reached that 70.3% of the time. We know that they've had two or more paramedics on duty in Q4 96% of the time, and that the amount of time that they had one or zero staff has also improved from Q3. Based on the staffing work that the branch is doing and Ornge is doing, we're looking to reduce that again and again.

**Mr. Frank Klees:** So let me simplify this, because I want to get it down to the current level of care. Last month, what percentage of the time was Ornge able to meet the standard of care, where they had at least two paramedics, one of which was trained to the critical care level?

**Mr. Enan Hoque:** Based on the reports you have, if we're talking about last month—well, I'll speak to the report that you have, with the last month being March, which would be 68.4% of the time.

**Mr. Frank Klees:** So in March, only—

**Mr. Enan Hoque:** It was 68.4% of the time.

**Mr. Frank Klees:** —68.4% of the time were we staffed to the standard of care. My understanding is that prior to Ornge taking over the full operation, there was actually a mechanism within the agreement with the service provider that if they weren't able to meet the standard of care, there were penalty clauses in those contracts. Are you aware of that? And there were financial penalties to that provider. Are you aware of that?

**Mr. Enan Hoque:** Yes.

**Mr. Richard Jackson:** Yes.

**Mr. Frank Klees:** Yes, Hansard doesn't pick up nods.

**Mr. Richard Jackson:** Yes, I know. Yes.

**Mr. Enan Hoque:** Yes.

**Mr. Frank Klees:** Can you tell me what penalties or consequences have there been to Ornge for not meeting those standards of care?

**Mr. Richard Jackson:** There has not been a penalty or consequence to Ornge not meeting that standard of care.

**Mr. Frank Klees:** From the standpoint of oversight—oversight is one thing; enforcing a non-compliance is yet something else. Would you agree with that?

**Mr. Richard Jackson:** I would agree with that.

**Mr. Frank Klees:** I would think that in order to make your work meaningful, if you find Ornge not to be in compliance with your oversight, then there should be some consequence to Ornge. Would you not agree?

**Mr. Richard Jackson:** In terms of a consequence, under the previous contract there was a financial penalty to that. In terms of if there was a—let's say there was a financial penalty for not meeting that level of care. We would be removing funding from Ornge. The majority of their costs are fixed. Their costs are fixed in terms of their staff, their aircraft. There's not a large variable component to their budget—fuel and medical supplies, perhaps. If there was a penalty—and there could be a penalty—the impact of that penalty would be, potentially, a further reduction in service.

**Mr. Frank Klees:** You make my point. The very fact that this is an internal game, that there cannot be any financial consequences, or any consequences of any significance, to Ornge for not complying means that while we may have a structure of oversight, the fact that there's no consequence—we really have no mechanism to bring these people into compliance, which is one of the reasons that I think this committee is very interested in reassessing the structure that we have. Based on information that we have in this committee, the compliance for standards of care under the previous system, where we had an external provider, was some 98% on a very consistent basis.

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Now, I'm not so much concerned about financial penalty to anyone, because what we're really concerned about here is patient care. When an organization is motivated to provide patient care at the optimum level, then that's really what this is all about and that's what we want to achieve.

I wish I had more time to pursue this, but unfortunately I have to be on my way. Thank you for being here.

**Mr. Richard Jackson:** You're welcome, sir.

**The Chair (Mr. Norm Miller):** Mr. Barrett.

**Mr. Toby Barrett:** Thank you, Chair. I'll continue with some questions to Mr. Jackson.

As director of an air ambulance program oversight branch, my question is: A department or a branch like this—is it seen as a time-limited department? Maybe fill me in. When was this set up, and secondly, how long do you foresee this branch existing in its present form?

**Mr. Richard Jackson:** It was established in July 2012. It is a permanent branch. The positions are permanent FTEs, part of the Ministry of Health and Long-Term Care's FTE complement. There is no sunshine period on when the work of this branch will cease.

**Mr. Toby Barrett:** Okay. We have a branch—I think it's six staff altogether, as I recall. Within either this ministry or perhaps education or agriculture, are there other branches like this, focusing on oversight and accountability? Comparables?



**Mr. Richard Jackson:** In terms of my own experience within the OPS, Mr. Barrett, the only comparable one that I could identify would be the private career college branch in the Ministry of Training, Colleges and Universities, in the role of the superintendent and his or her staff, with a specific focus on that one sector. There may be others. I don't—

**Mr. Toby Barrett:** Not that I recall any uproar with respect to career colleges. There was no special reason to have that within that line of work, was there?

**Mr. Richard Jackson:** There had been historically a very small—and I know this from having worked there. Private career college oversight was done by a superintendent and two investigators. They split the province east and west from Yonge Street, and they apparently were responsible for looking after that. There had been a series of instances of, I would say, serious administrative irregularities bordering on fraud, if not fraud, across private career colleges—many students being left on the street.

**Mr. Toby Barrett:** Oh, yes, okay. I remember that now.

**Mr. Richard Jackson:** That branch has grown exponentially in response to the risk that that proposed.

**Mr. Toby Barrett:** So maybe there were some special reasons as with the Ornge situation.

I see the mandate, obviously, is oversight, accountability, control. But I also see that as one of several functions normally of management, certainly at the CEO level or at the chief operating officer level of senior management. I personally see that as one function—along with planning and organizing and providing leadership, I see that as a function of really anybody who's being paid to be a manager.

By having this special unit—and if this is a model, perhaps, for other ministries or other government-funded bodies—does that take the onus off managers somehow, that all this is being done over here? Has it changed or can you see it changing the role of management within the Ontario public service? Maybe you disagree. I feel control is a part of management.

**Mr. Richard Jackson:** When you're speaking of management, Mr. Barrett, is it management actually at the organization itself that's providing the service, using provincial—

**Mr. Toby Barrett:** I think I'm referring to any government department or ministry that has line managers, obviously senior-level managers, even to the level of the supervisor. To my mind, if someone is being paid as a supervisor, even a coordinator, it involves planning and some organization, perhaps maybe not strategic planning. I guess my question is, even at a—I shouldn't say "lower level"—but at a supervisory level, is it not accountability and oversight and control—even keeping an eye on how many paper clips were bought—part of their job?

**Mr. Richard Jackson:** I would agree with you 100% that transfer payment accountability is a responsibility of any public servant that has that role. The transfer payment accountability directive that we base our work on,

and is certainly used across the OPS, articulates specifically the responsibilities of every person in the organization when it comes to accountability. I think what has happened here with Ornge is that the organization got so far off-track that there needed to be dedicated resources paying attention to what was going on because of the critical services that it provides and how badly they lost their way.

**The Chair (Mr. Norm Miller):** You are out of time, Mr. Barrett. There's a bit of time left, if you'd like to use it. We'll move to the NDP. You have a few minutes. Who would like to go over there? Mr. Singh.

**Mr. Jagmeet Singh:** Sure. I probably won't use my full time; I'll just ask a couple of quick questions. I just want to touch on an issue that came up today. Just to give you a frame of reference, we spoke with one of the directors who was dismissed. There's an article about her being dismissed, as well as one of her colleagues. The issue that came up was that both of these members of the board had asked a number of questions and were seen as unwanted because their questions were maybe too probing. Dr. Mazza, at the time, did not feel that they were appropriate to be on the board and so encouraged them to—he ostensibly fired them, but in another way.

It got the committee thinking about the importance of proper governance to ensure that organizations have oversight internally as well as externally from the ministry. In order to have a wholesome picture of oversight, if we have boards that have members who are dedicated to overseeing the organization internally as well as the ministry or an external oversight, that would be the most robust form.

What guidelines would you recommend—clear guidelines? One of the suggestions is having a non-voting member from the ministry sit in at board meetings. I know that you're already doing that, but what other guidelines would you recommend to ensure good governance in a board of directors, perhaps outlining what mechanism or what method to select these board members and any other criteria you can think of that would establish a good board as a starting point for internal oversight?

**Mr. Richard Jackson:** I think a critical part of any board's role is, I would say, the ability to do their own self-evaluation in terms of reflecting upon the work that you're doing as a board and the government structures that you have in place, and looking at ways to continually improve them.

I think another tool and mechanism that is useful to have in place is a framework in which to evaluate the capacity of boards. There's a tremendous amount of responsibility placed on boards. I know, from the work that I've done previously at the Ministry of Community and Social Services and the Ministry of Children and Youth Services, one of the pieces of advice that was provided by the Auditor General at that point—because our response would be that that's the board's responsibility. Well, how do you know that the board is carrying out their responsibility? So those two ministries developed a



board self-assessment tool that was used. The program staff who were responsible for oversight would review that, identify if there were weaknesses in board governance structure, and then, if those were there, approach the board and say, "What processes are you putting in place to address those particular issues?"

**The Chair (Mr. Norm Miller):** Okay. We'll move on to the government. Ms. Damerla?

**Ms. Dipika Damerla:** Thank you. Mr. Jackson, I just wanted to continue with the line of questioning we were going with around the performance agreement. I just wanted to know: At this point, do you feel that this particular performance agreement gives you all the tools you need to protect the taxpayer?

**Mr. Richard Jackson:** In terms of the performance agreement, I think it, in and of itself, provides a wide range of tools. When I look at the role of oversight or regulation—and I will specifically note the legislation that's presently before the general government committee, Bill 11. To have the full toolkit of oversight and regulatory responsibilities, the ability for the Lieutenant Governor in Council to appoint a supervisor when an organization is off-track and when that organization is of such critical importance—it's not like you can just pull the plug and say, "We won't have an air ambulance program tomorrow." We do need, I think, the ability; it would not be used in any wanton fashion, but when that unique set of circumstances applies where you actually have that ability. So that would be one of the things that I would—how I'd respond to you.

**Ms. Dipika Damerla:** And that would come through Bill 11, and that's what you're suggesting, right?

**Mr. Richard Jackson:** Right. The current performance agreement doesn't allow us to appoint a supervisor.

**Ms. Dipika Damerla:** But if we could get Bill 11 through and enact it, then that would give you those rights to supervise, if required.

**Mr. Richard Jackson:** That would give the ministry and the government the authority to do that, yes.

**Ms. Dipika Damerla:** So what you're really saying is that it's a package deal; it's good that we have the performance agreement, but we really need to beef it up with the help of Bill 11.

**Mr. Richard Jackson:** I think I would suggest that that backstop be available.

**Ms. Dipika Damerla:** Excellent. That was going to be my next question, but you have answered it—the value of Bill 11—and I really appreciate that. I don't have any more questions, but if my colleagues have any—

**Ms. Helena Jaczek:** If we have just one minute: As you're probably aware, Bill 11 is modelled on the Public Hospitals Act. Do you see a parallel between the protection of patient safety in a hospital and air ambulance as you've come to know it?

**Mr. Richard Jackson:** I think there are very strong similarities between the public hospital system and what is actually going on in an air ambulance. We are transporting people from one hospital—sorry, not we; Ornge. Ornge is transporting someone from one hospital to another hospital, providing a high level of care. It seems like it's literally a mobile hospital moving from place to place.

**Ms. Helena Jaczek:** Thank you very much.

**The Chair (Mr. Norm Miller):** Thank you. Mr. Barrett, you had one further question?

**Mr. Toby Barrett:** Maybe one quick one, just maybe going back to the manager/supervisor analogy. Through your department, you have mechanisms for compliance. At the supervisory or management level—beyond, say, job performance reviews—do we have an appropriate compliance structure in place to ensure that that oversight, if it is a function of management, is being accomplished? I just ask that in general.

**Mr. Richard Jackson:** Yes. I'd answer it in general with—I think that process is in place. I was doing this recently, in the past few weeks. There's a process within the OPS called the "certificate of assurance" process—

**Mr. Toby Barrett:** Certificate of insurance?

**Mr. Richard Jackson:** The certificate of assurance process, which outlines in quite a level of detail the various levels of checks, balances and controls that you need to have in place, and you need to be able to attest that you actually have those mechanisms in place. So I think that tool and that mechanism does exist.

**Mr. Toby Barrett:** Very good.

**The Chair (Mr. Norm Miller):** Thank you, Mr. Jackson, and all of your team, for coming in and helping with the work of the committee today. It's appreciated.

**Mr. Richard Jackson:** Thank you very much. I appreciate the advice that we got from many committee members today in assisting us in doing our work going forward.

**The Chair (Mr. Norm Miller):** Thank you.

Committee members, next week we will be using our time doing report writing. Also, if committee members could let our Clerk know about the CCPAC meeting, that would be appreciated as well. Otherwise, we are adjourned.

*The committee adjourned at 1455.*





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